

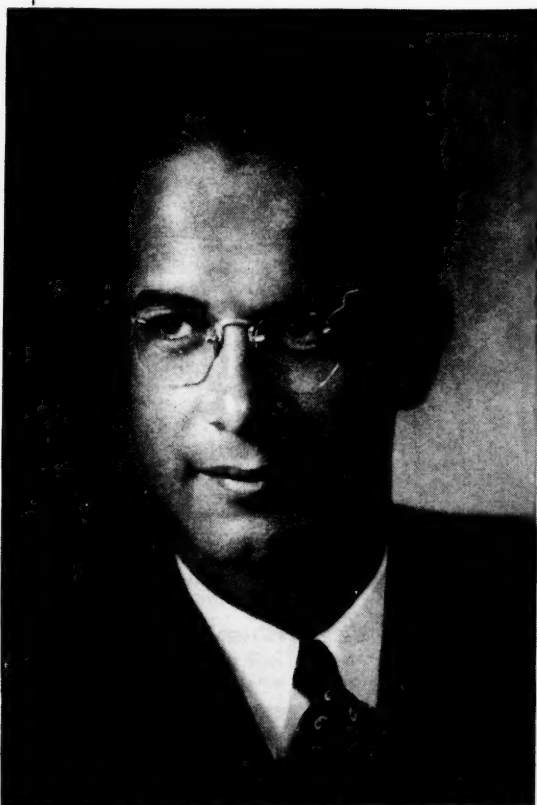
The NATIONAL UNDERWRITER

Life Insurance Edition

A New England Mutual General Agent ANSWERS SOME QUESTIONS about

the attractive features of our new ten-year level term rider

Setting the pace with a large personal production, David Marks, C.L.U. of New York City, leads one of the Company's top general agencies. He is a life and qualifying member of the Million Dollar Round Table and is prominently identified with many other leading national and local life insurance organizations.



What kind of prospect will benefit most from this Extra-Protection Rider?

"Anyone who needs more life insurance of a permanent nature, but can afford only a small current outlay. This rider will add 50%, 100%, or 150% more insurance to the face amount of his permanent policy. He'll pay 9% to 30% less than if he'd bought a term policy separately. And here's another feature — he can convert to permanent insurance, at the full face amount, anytime within the 10 years."

What's the deal on conversion?

"To convert as of the original date of the policy, he merely pays the difference in reserves — no interest. This, of course, keeps the premium at the younger age rate. He can also convert at the attained age if he wants to. No medical examination is required in either case. Our agents find this rider creates a term business of very high quality."

How do the figures look?

Here's a table which shows how much can be saved in buying \$10,000 of term insurance with our Extra-Protection Rider as compared with buying this amount separately under our regular 10-year term contract.

Insured's Present Age	Extra-Protection Term Rider Premium	Average Net Payment 10-Year Term Policy*	Extra-Protection Term Rider Cost Differential
25	37.40	53.70	30% less
35	59.00	77.70	24% less
45	119.40	138.90	14% less
55	261.20	287.90	9% less

*These are not estimates or guarantees but are based on 1955 dividend scale.

Our nearest general agency will be glad to give you further details.

The NEW ENGLAND



MUTUAL

Life Insurance Company of Boston

THE COMPANY THAT FOUNDED MUTUAL LIFE INSURANCE IN AMERICA—1835

FRIDAY, JANUARY 14, 1955

Mr. Agency Builder:-

How Happy Can You Be?

You'll Never Know Until You

Investigate



with

The GOLDEN RULE COMPANY

**3
of the
10 BIG
REASONS**



1 TOP COMMISSION on 15 leading contracts. Long term vested renewals. Cash bonus and extra renewals to your agents for recommending new agents.



2 MONEY-MAKING SALES PACKAGES. New! Colorful! Dynamic! Plus a new, easy-to-use Brain-Book and Brain-Kit. Your agents can't miss!



3 PACKAGED TRAINING PLANS. New! Amazingly simple! Easy to use! A quick money-maker for new or old agents!

Ask for Other Reasons-INQUIRIES HELD CONFIDENTIAL

**THE COLUMBUS MUTUAL
LIFE INSURANCE COMPANY**

Columbus 16, Ohio

Carl Mitcheltree, Pres.

Ben F. Hadley, Vice-Pres. & Sup't of Agents

**Agency Building
Opportunities in:**

Arizona, California, Delaware, Florida, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington D. C. and West Virginia.

The NATIONAL UNDERWRITER

The National Weekly Newspaper of Life Insurance

59th Year, No. 2
January 14, 1955

New Open-End Fund Offers Periodic Pay Plan for Life Stocks

Birmingham Corporation Already Buying Life Company Securities

Life Insurance Stock Fund, Inc., the open-end fund with head offices at Birmingham which will deal primarily in life company stocks, already has sold 20,000 shares of its authorized one million \$1 par value stock.

The original issue was sold privately to 15 purchasers at a price of \$5 per share, and the fund expects to offer to the public another 30,000 shares at the same price. Thereafter, the fund plans to offer additional shares at a price equal to the net asset value plus a sales charge equal to 8.25% of the public offering price, or 8.99% of the net asset value.

An arrangement has been made with Bank for Savings and Trusts at Birmingham under which an investor may remit periodic payments for the purpose of investment in fund shares. The initial investment must be at least \$100, and subsequent payments must be no less than \$50.

This is the second organization formed recently to deal principally in the stocks of life companies. Life Insurance Investors, Inc., a closed-end mutual fund managed by New York and Nashville brokerage firms, this month is planning an offering of one million shares of common stock at \$16.25, of which \$1.25 will be for organization expenses.

Life Insurance Stock Fund, incorporated in Delaware, will be managed by Life Insurance Management Co. Officers of the latter are Robert H. Carlson, Jr., president, E. S. Hyding, vice-president, and K. P. Long secretary. All are with Carlson & Co., Birmingham. Directors are J. C. Lee, Jr., president of Buffalo Rock Co. and a director of Pioneer Life & Casualty, Birmingham; J. T. Badham, president of Badham Insurance Co.; E. M. Friend, Jr., Birmingham lawyer; Dr. James Holladay, University of Alabama professor, and J. M. Folmar, partner of Folmar & Flinn, contractors at Montgomery, Ala.

The fund already owns securities of Life of Virginia, Lincoln National Life, Franklin Life, Travelers, Kansas City Life and Jefferson Standard Life. Among the first buyers of fund shares were Pioneer Life & Casualty, with 2800, and Great American Life Underwriters, 2000.

An unrestricted portion of the fund's portfolio may consist of government securities. The fund may not invest more than 5% of its assets in any one life company, nor may it purchase more than 10% of the outstanding voting stock of any one insurer. The fund will not make investments for the purpose of

(CONTINUED ON PAGE 16)

States, Parties to FTC Complaints, Not Listed, Insurer Says

WASHINGTON—Guarantee Trust Life of Chicago has asked federal trade commission to dismiss the complaint of misleading advertising, filed against it in October, on grounds that the states in which it is licensed were not named by FTC.

The company is one of 17 A&H insurers against which FTC filed complaints last October. Answers from five of these companies, including Guarantee Trust, denying FTC jurisdiction and asking for dismissal of the complaints, are summarized in an official FTC release.

The states in which it is licensed are "proper parties" to the proceeding, Guarantee Trust maintains, because "the attempt by FTC...to take jurisdiction in this cause invalidates, impairs, and supersedes laws enacted by the states in which (the company) conducts its business." These states' regulatory statutes concerning insurance, the answer goes on, "are threatened and may be supplanted by federal regulation" without the states themselves being parties to the proceeding.

Others that answered, besides Guarantee Trust, are Guarantee Reserve Life of Hammond, Ind., LaSalle Casualty of Chicago, Life Ins. Co. of America of Wilmington, Del., and United of Chicago.

Conceding that it enters into contracts in Indiana with people residing in states other than those in which it is licensed, Guarantee Reserve Life

(CONTINUED ON PAGE 16)

Many More Set to Put Out 'Special' Policies: Zimmerman

NEW YORK—Sixty-two percent of the companies responding to a recent

LIAMA questionnaire said they plan to issue new types of policies in 1955, and of the 62% about one-third plan to offer preferred-risk or minimum amount policies, Charles J. Zimmerman, managing director of LIAMA, said at a luncheon meeting of the Bergen-Eiber agency of Mutual Trust Life at Brooklyn.

Those who thought the increased competition was going to slacken off will have to take another look, said Mr. Zimmerman, for the indications are that net cost competition is getting more intensive. This heightened competition, he said, is a healthy condition and a manifestation of the free enterprise system at work.

However, he warned of the possible effect of disturbing the public by carrying competition to unwieldy lengths. He said he objected strenuously to some of the advertising that has been done, for it is impossible to tell the full net cost story in an advertisement. There are too many imponderables. You don't effect lower net cost by issuing a preferred policy or decreasing gross premiums, he said. It isn't that easy.

Net cost, said Mr. Zimmerman, depends on many factors.



C. J. Zimmerman

Organize to Fight Anti-Tontine Bill Sought by NALU

Aroused by Agents' Moves, Nearly 100 Smaller Insurers Form Association at Atlanta

ATLANTA—Top management representatives of nearly 100 life companies met here to form a new trade association. It has been named National Institute of Life Insurers. Another meeting has been called for Feb. 10 here, to perfect the association and approve the final charter and by-laws. Atlanta has been selected as headquarters.

President Claude H. Poindexter of Coastal States Life, provisional head of the new association, told THE NATIONAL UNDERWRITER that the primary reason for organizing was as a defense against efforts of the National Assn. of Life Underwriters to obtain legislation outlawing what it has referred to as tontine or semi-tontine policies.

Mr. Poindexter said the model bill offered by NALU at the meeting of the National Assn. of Insurance Commissioners in New York last month was so broad that it would outlaw practically all types of special policies. He said he doubted that a mutual company could legally pay dividends under such a law. The smaller companies need to be allowed to issue special policies in order to grow, said Mr. Poindexter, adding that that is how the big companies got their start.

Saying that the NALU bill amounted to "regulation by our competition," Mr. Poindexter said the new association contends that this regulation should be in the hands of the state legislatures, the insurance departments, and the companies themselves. He noted with gratification that at the NAIC meeting last month the Life Insurance Assn. of America and American Life Convention had refrained from taking any position on the NALU's proposed bill.

Conceding there might be a need for housecleaning, Mr. Poindexter said that if there were such a need it was due to merchandising methods rather than to the policies themselves and that the new association "is going to do some housecleaning if it needs to be done."

By no means all of the companies in the new association issue the so-called semi-tontine forms of policies or even any kind of "special" policy, but Mr. Poindexter said all of them, and many other insurers that he hopes to see join the new organization are interested in preserving the right to issue special contracts.

The official announcement said the new organization's aims are to study and exchange information that will forward the interests of the public in relation to life insurance, cooperate with all life companies in promoting their legitimate interest, advance ways

(CONTINUED ON PAGE 15)

Late News Bulletins...

Another Life-Stock Mutual Fund Forming

BOSTON—J. H. Goddard & Co., a securities firm specializing in the sale of life company stocks, made this announcement in a letter to clients and prospects: "It may be of interest to our subscribers that we are planning the formation of a mutual fund designed to provide a medium for diversified investment in life insurance stocks. This fund will be based on investment in the shares of the 20 largest stock life companies, and is patterned not only for individual investment—but for institutions and trustees—most important of all, for use by agency organizations in the life underwriting business. More on this later."

Murphy, Former New York Deputy, Leaves Met

NEW YORK—Joseph F. Murphy, former New York deputy insurance superintendent who joined the staff of 2nd Vice-president Charles G. Dougherty of Metropolitan Life Jan. 1, has resigned to go with America Fore group of fire and casualty companies in New York City as counsel.

SHOW 1954 INSURANCE RESULTS

	1954	1953	1954	1953
	New Life Ins. Bus.	New Life Ins. Bus.	Increase in Life Ins. In Force	Increase in Life Ins. In Force
Bankers Life, Neb.	58,476,098	58,810,858	28,132,858	31,200,472
Bankers National, N. J.	51,860,875	50,206,804	28,737,242	30,079,261
Columbus Mutual	49,888,806	46,194,235	25,787,755	26,796,676
Connecticut Mutual	337,639,565	327,943,466	210,220,696	207,559,566
Continental American	54,667,083	41,658,751	29,884,506	22,865,668
Great-West Life	363,820,622	266,571,692	281,369,912	204,100,937
Guarantee Mutual, Neb.	33,730,525	32,037,739	12,168,958	12,881,960
Indianapolis Life	34,367,431	32,639,494	14,956,982	16,158,057
Philadelphia Life	52,461,009	43,654,306	29,130,745	25,887,432
Pyramid Life, N. C.	171,776,845	159,150,800	13,941,294	21,932,137

New business figures include the following amounts of revivals and increases for 1954 and 1953, respectively: \$11,943,671, \$7,556,040; \$148,478, \$144,768.

Pan-American Annual Draws 300: Hamer Sees Bright Future

"Markets and Methods that Make More Money" was the general theme of the annual convention of Pan-American Life at Hollywood, Fla., which was attended by more than 300 delegates and their families.

Crawford H. Ellis, president, Dr. E. G. Simmons, executive vice-president, and Commissioner Larson of Florida welcomed the delegates.

Kenneth D. Hamer, vice-president and agency director, was chairman of the first panel meeting. Charles J. Mesman, superintendent of agencies conducted the first of two panels. Panelists and their topics were James H. Cadzow Jr., of New Orleans, young man market; Arnold R. Freidkin of Houston, business insurance; Earl F. Norton of Marvell, Ark., farm market; Francis J. Selman of New Orleans, pension trusts; Murray D. Shores of Baton Rouge, policyowner market; and Saul Sokol of Columbus, O., wife insurance.

Moderator of the second panel was Gilbert H. Sawyer, superintendent of agencies. Members of his panel and their subjects were W. Gordon Durdan of Dallas, telephone technique; Richard J. Edwards of Houston, prospecting methods; Frank W. Gamblin of Tallahassee, time is money; James S. McCollum of Jackson, Miss., premium pays; Percy L. McKenzie of Alexandria, La., persistence, a must; and Edwin D. Ziegler of Florence, S. C., consistent selling.

Irwin H. Fust, assistant superintendent of agencies, introduced the company's new mortgage redemption plan plus the sales promotion material the company had prepared to help in the sale of the plan.

Mr. Hamer also spoke. He stressed that "today's options are tomorrow's

bargains" and that markets are better than ever in the past. He said that differences in rates make no difference in selling and that if the agent sells enthusiastically, the greatest buy in the country, which is life insurance, and keeps it sold, he will be a star salesman always.

Training Allowances Liberalized by N. Y.

The New York department has amended qualifying rules for paying training allowances to new life agents. A company now may pay full allowances to agents upon leaving college although they may have been licensed while they were undergraduates, provided they comply with other minimum rules.

The question has presented a troublesome problem, under strict construction of the law, the graduate who had been licensed in college forfeited all or part of his new-agent status, making it impossible to finance him on the same basis as the general run of new agents.

Joe Hunt Is Installed as Okla. Commissioner

Joe B. Hunt was inducted into office as Oklahoma insurance commissioner Jan. 10 to succeed Robert L. Birdwell, who was serving out the unexpired term of Donald F. Dickey.

Mr. Hunt has had many years of experience with Oklahoma Insurance Board and in the commissioner's office, where he served under the late Jesse G. Read. He was assistant secretary for the insurance board from 1942 until last April when he resigned to campaign for commissioner.

As commissioner, Mr. Hunt is president of the insurance board. Among the prospective appointees announced by Gov. Gary is that of Ralph Duroy, insurance agent of Elk City, as state fire marshal. This would make Mr. Duroy the third member of the board serving with Mr. Hunt and Fred Albert, the secretary.

AWAITS NAIC DECISION

NALU Not Dropping Its Fight Against Tontine-Type Plans

NEW YORK—The fact that the National Assn. of Life Underwriters is not pushing its model anti-tontine bill in states lacking laws barring such contracts should not be interpreted as indicating any lessening of NALU's interest in the passage of anti-tontine legislation.

A report that NALU had relaxed its efforts was said at NALU headquarters here to be without foundation and probably originated from the fact that pending action by the National Assn. of Insurance Commissioners NALU is not making a campaign for its bill, which NAIC now has under study.

However, NALU has the bill available for those state life underwriter associations that wish to take the initiative in seeking passage of a measure this year.

Carlyle M. Dunaway, counsel of NALU, said that out of courtesy to the commissioners, NALU felt it should delay pushing for enactment of a bill until such time as the NAIC has had a reasonable opportunity to reach a decision on the proposed model bill submitted to it at the commissioners' midwinter meeting last month.

Coercion Is Subterfuge to Skirt Usury Law, Kansas Judges Decides

In a test case brought by the attorney general of Kansas against an alleged loan shark operation, Judge Miller in Wyandotte county district court ruled that requiring borrowers to buy excessive amounts of credit insurance to obtain loans from small loan firms is a subterfuge to evade the state's 10% usury law.

Attorney General Fatzer had charged that fees made by New Way Co. of Kansas City, Kan., for a three-month \$25 loan included premiums for \$750 in death benefits and a monthly indemnity of \$30 as well as interest on the \$25 which amounted to \$34.20 a year. He called abuse of the insurance requirements on small loans a racket and asked for an injunction against the Kansas City firm as a common nuisance.

Judge Miller rejected a demurrer by the defendants, who had contended that the state had not stated a cause of action and that the insurance premiums were not interest.

"It is difficult to rationally explain the above actions, if true," Judge Miller declared, "on any other basis than the insurance was required for the primary, if not the sole, purpose of exacting an additional charge for the loan, and that the amount of the insurance required was determined with an eye toward the amount of the first quarterly premium to be retained by the lender."

One of the judge's findings was that the defendant lender received 75% of the first quarterly premium on all insurance written.

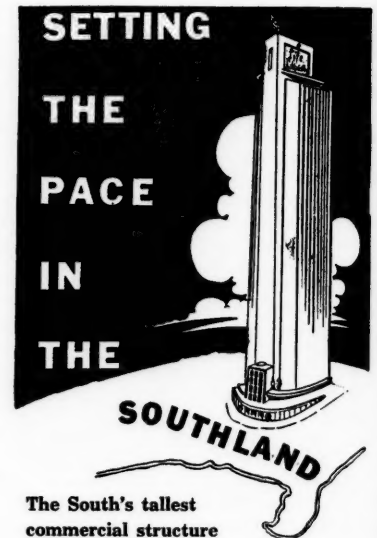
Other defendants, besides New Way Co., were P. H. Molitor of Denver, who operates a chain of small loan firms; Richard Molitor, manager of the Kan-

sas City firm; Cecil C. Duck Jr., an employee; Ben Wargon, listed as an operator of a Denver insurance agency, and Sam Freedman, listed as a Wichita insurance agent.

Other charges made by Fatzer were that 85% of the credit insurance premiums were retained by one of the Molitors and Wargon as commissions and 15% was sent to Continental Casualty and Transportation of Chicago.

Other findings by Judge Miller were that purchase of the credit insurance was required as a condition precedent to obtaining a loan, that the insurance was not related in any way as a security transaction in that its amount far exceeded the amount of the loan, and that new policies were required on all renewals and new loans, even though the previous insurance had not expired.

Organizations that filed briefs as friends of the court included several national credit insurance companies, Kansas State Industrial Union Council (CIO) and Kansas Assn. of Finance Companies. The last noted disapproval of the practices described by the attorney general.



The South's tallest commercial structure is now under construction in Nashville, Tennessee . . . by Life and Casualty, of course!

This is but another milestone in the history of Life and Casualty Insurance Company of Tennessee . . . a company built upon faith and operated with integrity, where the happiness of Life and Casualty people and the best interests of Life and Casualty policy-owners are of paramount importance.


Twenty-three Hundred Life and Casualty representatives serve the South through one hundred and four District offices in thirteen Southern states . . . with an enthusiasm that is contagious!

Life and Casualty
Insurance Company of Tennessee


Guilford Dudley Jr., President
Home Office, Nashville, Tennessee

Life Insurance in Force
OVER ONE BILLION DOLLARS

THE OHIO NATIONAL LIFE & INSURANCE COMPANY
CINCINNATI, OHIO



THE GEO. WADE AGENCY
503 NORTH FRONT STREET
HARRISBURG, PENNSYLVANIA



Dear Al:

In attempting to answer your inquiry about the one thing that has made the greatest impression on me during my long association with The Ohio National, it is not easy to select one quality from the many that appeal to me and say "This is the one thing I like best."

After careful consideration, however, it is the friendly spirit of cooperation between the home office staff and the Company field representatives that stands out above all others. This friendly spirit, evident throughout the Company, is the foundation of all effective effort, and it is the one thing that has "pulled" me to The Ohio National for more than 30 years.

Sincerely yours,

Geo.

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Bohlinger Says Fifth of Welfare Funds Are Abused; Insured Plans Pay Better

NEW YORK—A report on the investigation and hearings on abuses in union welfare funds has been submitted to Governor Dewey by Superintendent Bohlinger of New York. He also made recommendations (reported in last weeks issue) for correcting bad practices, which will be taken up at the discretion of Governor Harriman and the new legislature.

On the 162 union welfare plans examined, 91 were found to be ably administered in the best interests of the membership. However, 37 were subject to some criticism, and in 34 serious abuses were found. Mr. Bohlinger pointed out that about a fifth of the plans had glaring abuses, a fifth were open to some criticism, and the rest were well and honestly managed. This would probably be called a representative ratio of the management of the approximately 500 union welfare plans in the state, he said. The findings are probably symptomatic of similar conditions which may be found in most poorly run or mismanaged plans, the report stated.

It was brought out that life and health insurance under self-administered plans paid an average of 44 cents per contribution dollar in benefits with many instances of levels of benefit payments far below this average. In the case of insured plans, benefits averaged 65 cents of each contribution dollar.

Administration expenses for small welfare plans were relatively greater than for larger plans, because of the small amount of contributions involved and the problems in collecting them. Where insurance was purchased, a larger part of the premium dollar was paid in commissions because of the relatively small premium volume.

Though the level of benefits paid by insurers in union welfare cases is usually high, the practices of a few insurers and producers are subject to criticism. There was some evidence of excessive commissions and fees to producers and payments of fees to unions, union welfare plans and their administrators.

Though employees often expect lifetime benefits through self-administered union and employer pension plans, there is no assurance that these obligations will be met unless sound actuarial and investment policies are followed. Members of such plans do not have the protection a regulatory agency affords against financial instability and irresponsible management, the report stated.

Among the abuses cited in the report were failure to distribute benefits reasonably adequate in relation to employer contributions. The combination of the dissipation of the assets of welfare funds and the unnecessary accumulation of large surpluses provided a low level of benefit payments.

In evidence brought out on misuse of welfare funds, the ratios of expenses to contributions received were obviously excessive, sometimes ranging up to 52%. This usually was caused by excessive salaries; expense allowances and fees for work performed or payments for work not performed at all; of purchase of unneeded expensive automobiles; arbitrary and exorbitant charges for expenses by the parent union; legal and medical fees, accounting charges, and other payments for professional services out of propor-

tion to services rendered; payments to union officials for expense of attending union conventions; payment of so-called management fees to insurance agents and brokers for alleged services normally provided by producers or insurers without charge; payments to trustees out of proportion to services rendered; and purchasing property of little worth.

In some instances, the investigation uncovered loans, usually unsecured and seldom repaid, and subsidies and outright gifts to unions and union officers to finance projects having no connection with the purposes of the welfare fund, such as financing strike benefits, or erecting or renovating union headquarters.

The investigation brought out a lack of proper administrative procedures, such as inadequate accounting records and practices, absence of vouchers for expenses purportedly incurred, disbursements made without countersigning checks and failure to record trans-

actions. There was also evidence of large sums being left in commercial banks without earning interest.

Sometimes there were infrequent meetings of trustees, a lack of minutes of trustees' meetings, a laxity of employer trustees, and an inability of funds to meet current obligations bringing about excessive assessments, borrowing, and falling into arrears in the payment of insurance premiums.

Also uncovered was evidence of nepotism—relatives of union officials, administrators and trustees were on the payrolls of the welfare fund or its agent or broker, resulting in waste and inviting collusive activities. In some instances required contributions were not collected from employers so that money was not available for benefits, and evidence of fund assets, such as automobiles, held by union officials in their individual names rather than in their representative capacities.

There were provisions in some plans, and in acts committed, that were not in the best interests of the beneficiaries. There were instances of trustees being given powers by trust agree-

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Reintroduces Federal Health Cover Bill

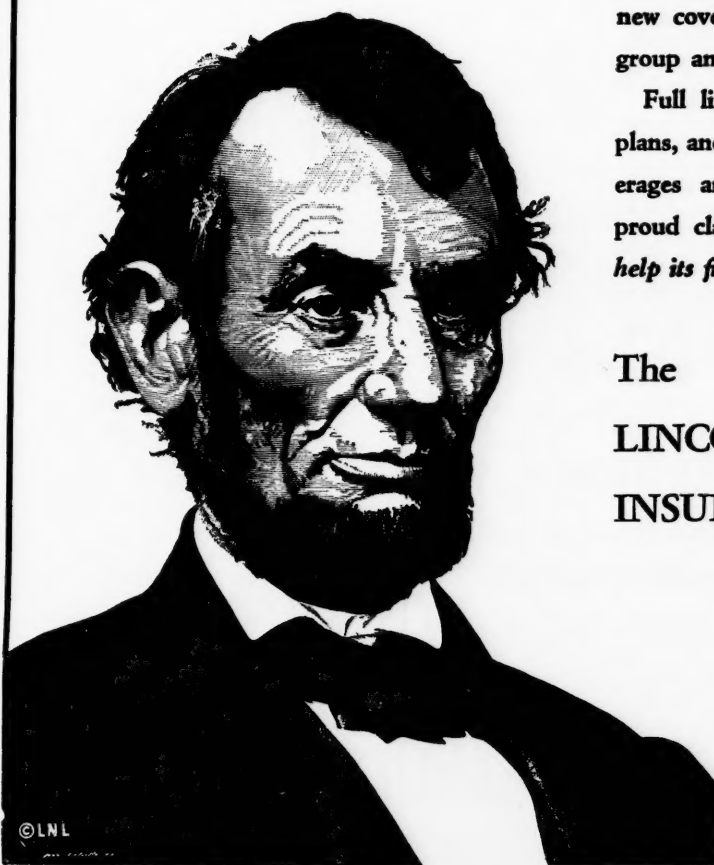
Washington—Rep. Dingell of Michigan has reintroduced his health bill which he calls national health insurance act. He said the need for greater health insurance coverage for more people becomes more urgent every year because of rising medical and hospital costs.

The President's commission on health needs, he added, found that the existing voluntary health insurance plans reach too few people with too limited services. Dingell said the bill guarantees administration of the act by state and local bodies under general federal standards, free choice of doctor for every patient and freedom of doctors to accept or reject patients as they can now.

Mrs. Vera White Resigns

Mrs. Vera S. White, who for six years has been secretary to Superintendent Walter Robinson of Ohio, has resigned. She was at one time employed in the United States Embassy in London.

And Now— MAJOR MEDICAL!



Again, the Lincoln National man finds his prospect field enlarged by a new coverage. This time, it's family group and individual Major Medical.

Full lines of Life policies, Group plans, and Accident and Sickness coverages are another reason for our proud claim that LNL is geared to help its field men.

The
LINCOLN NATIONAL LIFE
INSURANCE COMPANY

Fort Wayne 1, Indiana

Its Name Indicates
Its Character

50th Anniversary—1955

©LNL

Insurance Federation Forms Advisory Unit

Insurance Federation of Illinois has completed its insurance advisory council, with the organization meeting being held at Chicago. The council, composed of all phases and interests of the insurance business to review legislation which will be introduced this ses-

sion, named the following officers:

Chairman, E. H. Henning, president of Central Standard Life. Mr. Henning is also president of the federation. C. C. Rauschenbach, manager of Ocean Accident, was named vice-chairman. He is 1st vice-president of the federation. Florence M. Manson, executive secretary and treasurer of the federation was named secretary-treasurer of the advisory council. All are from Chicago.

LIAMA Study Shows Insurers Optimistic About Business

Life agency officers are extremely optimistic about sales opportunities for 1955, according to a survey of 100 companies released by Life Insurance Agency Management Assn. But they qualify their optimism with the belief that it may be necessary to sell a little harder than in the past.

The survey reveals that companies look for a stepped-up volume of sales on all kinds of life insurance, with the highest percentage gain, 12%, expected in ordinary.

Coupled with the predicted increase in sales was the estimate that all life in force might rise by as much as 10% during the year. At the end of 1954 there was \$201 billion ordinary in force with legal reserve companies in the U. S., \$99 billion in group; and \$39 billion in industrial.

Commenting on the anticipated increase, Charles J. Zimmerman, managing director of LIAMA, said that while it is compatible with the estimated gain in new business, its attainment depends on improving the retention rate, and probably excluding from consideration the \$7 billion group sale to federal employees during 1954.

To obtain the expected sales increases over 1954's record year, 29% of companies revealed plans to expand sales operations to additional states and provinces; 62% said they would offer the public new types of policies, and provinces; 62% said they would offer new major coverages, either group or individual A&H.

Companies said they plan to step up their induction of new agents by 10% and their opening of new agencies by about 7%.

Commenting on the large number of companies planning to issue new policies, many of which will be minimum amount or preferred risk, Mr. Zimmerman said, "There can be no question about the increase in tempo of competition both within and without the business. Within proper limits, such competition is healthy."

He pointed out that good management continues to be the best guarantee of good net cost. Variations in net costs between companies will, in the final analysis, depend on the quality and philosophy of management over a long period of years. Meaningful changes in net cost are not brought about simply by adopting lower gross premium rates, or special policies, as regards participating insurance.

Explaining that "good management means not only investment and business management, but most important of all good sales management," Mr. Zimmerman suggested that "a company with a well-selected, well-trained, effective, producing sales organization can obtain and retain business on a lower-cost-per-unit of insurance basis than can a company lacking these assets."

He said "it is heartening to note the emphasis which companies plan to put on expanding and strengthening their agency operations at the home office, field management and ultimate sales level."

Nearly three-quarters of the companies reported new plans to train and increase the effectiveness of present agents. Nearly a fourth said they will step up their managerial training pro-

grams in 1955. More than half announced new efforts to improve persistency. Fifty-six percent will increase or reorganize their home office agency department staffs during the year.

Asked to name the year's most pressing sales problem, 38% said to expand their recruiting activities with the view of establishing more full-time successful salesmen.

Replying to a question on advertising, 8% said they planned expanded newspaper advertising schedules for 1955; 5% said they will advertise on television and 2% said they would test the medium.

LIAMA's survey also revealed that 91% of the agency officers think business in general during 1955 will be excellent and somewhat ahead of 1954. Mr. Zimmerman reported that life men in both the U. S. and Canada expect further increases in competitive selling.

SS Retirement Benefits Attract Older Women

Northwestern National's family economics bureau reports that middle-aged and elderly women, attracted by bargains offered in 1954 social security amendments, are beginning to look for jobs to qualify for social security benefits. The trend is most noticeable in eastern, central and midwestern cities.

Many want only part-time work for a long enough period to qualify, which can be as little as 1½ years. Some have husbands already qualified, but want to get two separate retirement incomes instead of 1½ times the husband's social security pension as presently provided.

Ives Biography Out

The late Charles Ives, who was the partner of Julian Myrick in the Ives & Myrick agency of Mutual of New York at New York, is the subject of a biography by Henry Cowell, composer and critic, and his wife, Sidney Cowell. Entitled "The Father of American Music", the book combines an account of Mr. Ives' life with a study of the origins and development of his music.



'There Goes The Man We Want!'

Sure, we know that everybody wants a "Self-starter", but we've got something HE wants—a new Direct Contract that's a "natural" for the man who is going places and wants to cash in on the trip.

We have an exceptionally fine portfolio of standard and special Life policies, plus accident, sickness, surgical benefit and hospitalization coverages.

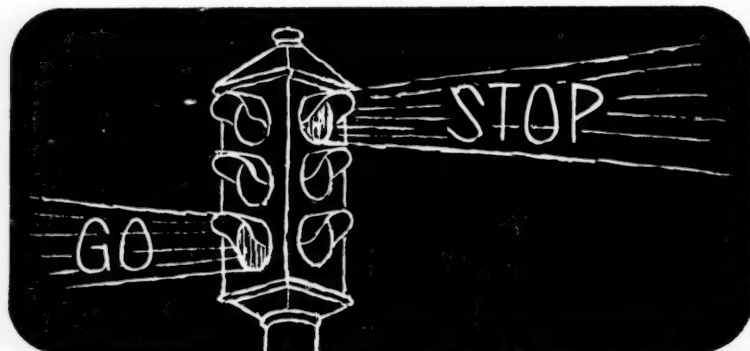
DIRECT AGENCY openings in: Maryland, Ohio, Indiana, Iowa, Kentucky, Missouri, Mississippi and Arkansas.

WRITE TO: J. DeWitt Mills, Supt. of Agents

Mutual Savings Life

5701 Waterman

St. Louis 12, Mo.



Packaged Insurance Sells Faster

(One of a series)

THE MACCABEES JUNIOR ESTATE BUILDER

We call this our "Stop and Go" plan.

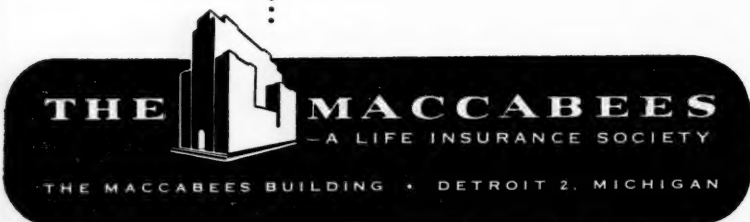
It allows parents to build a substantial insurance estate for their children at low juvenile rates... Then at age 21 the children may GO on with the plan and have five times the original insurance protection, with no added cost. This amount will be paid up at age 60.

Or they may STOP payments and receive a choice of the following benefits:

- Paid up insurance equal to about 2½ times the original face value.
- Extended term insurance for 41 years.
- Accept a liberal cash settlement.

Sales Aids—High-powered sales ammunition produces qualified prospects and helps close the sale. Direct mail material, custom designed for this plan, is FREE to our agents in unlimited quantities including all postage costs.

- We offer excellent opportunities for rapid advancement in many territories in the U. S. and Canada. Write to Robert O. Shepler, Field Director, for complete information.



GUARANTEE FUTURE PROTECTION

With life insurance, carefully planned for your individual family needs by the Praetorians... experienced in protective benefits for over 55 years.

SINCE 1898

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Life Insurance
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SS Supplement Policy Idea Liked; Some Moves Already Made in that Direction

THE NATIONAL UNDERWRITER has received the following letter from Pearce Shepherd, vice-president and actuary of Prudential, and also has received information from State Mutual Life on how it uses riders to make income options match up with social security survivor benefits. Mr. Shepherd writes:

"The editorial in your Dec. 24, 1954, issue, suggesting the need for a special policy to fill the voids in social security protection, is heartily endorsed by the Prudential. In fact, we are quite proud that we have been selling for over 11 years a policy which fills the biggest of these voids, protection of a widow until she is 65.

Back in 1943 our actuary, Valentine Howell, designed a decreasing term policy to be sold in units of \$10 monthly income and to provide a monthly income from the death of the insured to the end of the term period, which could be set at the wife's age 65. This contract, which we call our temporary income policy, has not been a big seller but it has been a useful tool in our sales kit."

State Mutual's endorsements make it possible to vary the income paid prior to the time when the youngest child would reach age 18 according to whether or not there is a child surviving to that age. There are no standard endorsements but here are examples of tailor-made versions for use in a couple of typical situations:

One is used when the insured is not sure of his wife's financial ability, and so the change in payment is automatic, based upon what he assumes the social security payments will be. "The owner...requests that...the proceeds be paid as follows: The proceeds shall be paid to my wife, Mary Doe, if living, under the conditions and provisions of instalment option D in monthly instalments of \$75 each until the youngest of my surviving children attains the age of 18 years. When the youngest surviving child of mine attains the age of 18 years OR if I die after the youngest surviving child of mine attains the age of 18 years, monthly instalments of \$200 each shall

be paid to my said wife, provided, however, that at any time after my said wife attains the age of 65 years she shall have the privilege of withdrawing any or all of the remaining unpaid proceeds, and shall have the privilege of electing to have the proceeds paid—in lieu of option D—under any other settlement option contained in the said contract."

The other form is used when the insured is confident of his wife's ability to handle money. In this case she brings in the award letters from the social security board and payments to her will be reduced accordingly. "The owner...requests that...the proceeds be paid as follows: The proceeds shall be paid under the conditions and provisions of instalment option D in monthly instalments of \$200 each to my wife, Mary Doe, if she survives me, until the proceeds are exhausted, provided, however, that if my said wife and my surviving children become entitled to payments from the social security board then upon receipt by the company at its home office of the award letters issued by the social security board to my said wife and my children the proceeds then due shall be paid to my said wife under the said option D in monthly instalments of an amount equal to the difference between the total monthly payments received by my said wife and my children from the social security board as established by the award letters filed with the company and \$200, such payments to be made until the proceeds are exhausted.

"It is agreed that at any time after my said wife attains the age of 65 years she shall have the privilege of withdrawing any or all of the remaining unpaid proceeds and shall have the privilege of electing to have the proceeds paid—in lieu of option D—under any other settlement option contained in the said contract."

Sites for General American Club Conventions Selected

Beginning in 1956 qualification for the annual General American Life President's Club convention will be based on a 12 instead of 18-month period. Convention sites through 1959 have been announced.

The 1955 meeting will be held in August at Banff Springs hotel in Canada for the qualification period ending Dec. 31, 1954. Thereafter, conventions will be held each year in the early summer, based on the qualification period of the preceding calendar year.

The 1956 convention will be held at St. Louis. Sites for succeeding years are the Grand hotel, Mackinac Island, Mich., 1957; Sun Valley, Ida., 1958; Colorado Springs, 1959.

A double qualification provision, enabling top producers to take their wives to the conventions, will be continued.

Giffen Joins Provident L.&A.

Cecil Giffen, with the investment department of Aid Assn. for Lutherans at Appleton, Wis., has resigned to join Provident Life & Accident as manager of securities and investments.

Natl. L&A Would Dismiss Suit

National Life & Accident of Nashville has asked dismissal of a \$500,000 suit filed by an Ohioan who charges he was slandered in a political talk broadcast last July by the company's tele-

vision station, WSM-TV. The station has since barred all political speeches. Pat Sutton, unsuccessful candidate for Congress, is charged in the suit brought by Edward Lamb of Toledo with calling Lamb "a known Communist." Sutton and National L&A were named in the suit.

Connecticut General's proposed new home office in Bloomfield eventually will be bordered on two sides by new expressways. To the north will be a limited access connector between Route 9 and the Springfield-Hartford expressway, and the relocated Route 9 will be to the west of the site.

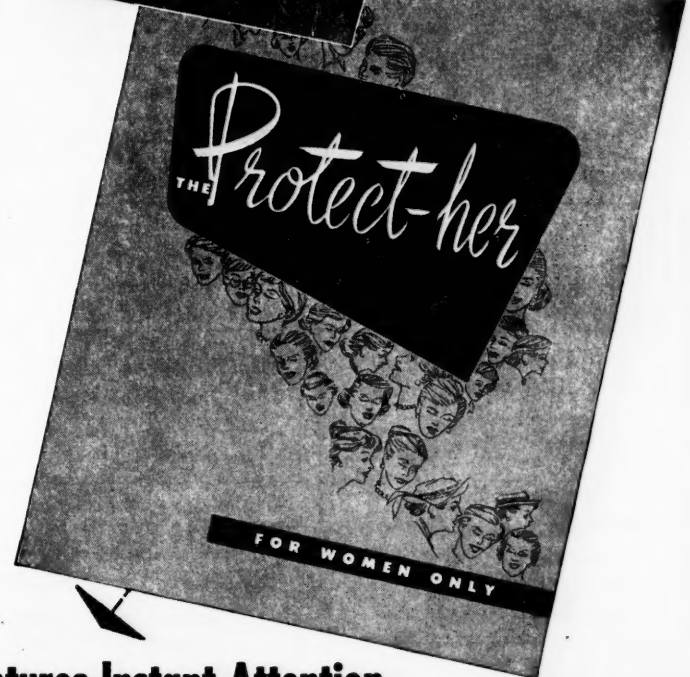
N. Y. State Managers to Convene Feb. 25

New York State Assn. of Life Underwriters will meet Feb. 25-26 at Saratoga with Bruce E. Shepherd, manager of LIAA, as keynote speaker. Other speakers will be Joseph Maclean, actuarial consultant and former vice-president of Mutual of New York, who will speak on variable life income certificates; Edmund B. Whittaker, vice-president of Prudential, problems in mass selling; H. B. Palmer, president Mutual Benefit Life, special policies.

An Interest Stimulat-

One of a Series of Messages on New Ways Midland Mutual Life Helps Field Men Increase Their Sales

Message #2



Captures Instant Attention when prospecting for Women's Business

Just one example of the unique "Prospecting Tools" Midland Mutual Life provides to help make selling easier. There's a whole kit of them... one for every life insurance need—for all insurable age groups. And each is a real sales stimulator—planned and sales-proved by representatives of all grades of selling ability. It's just one of the reasons so many Midland Mutual Life men are setting new records for themselves—by taking full advantage of the "all-phase" cooperation offered by their Home Office. Teamwork that means more apps—more income!

If you reside in one of the following states in which we do business and would like a "look" at this new way of "stimulating interest" and other points of our "field-building" methods, we'll be glad to hear from you.

Ohio, Pennsylvania, New Jersey, West Virginia, Kentucky, Indiana, Michigan, Illinois, California, Iowa, North Carolina.

There's no obligation and your inquiry will be confidential. Write Russell S. Moore, Manager of Agencies!

Watch for early appearance of Message #3 on "Creating Desire"



Chairman Lewis W. Douglas, right, who is celebrating his 15th anniversary with Mutual of New York, is congratulated by President Louis W. Dawson. They hold an inscribed silver ashtray presented to Mr. Douglas by officers at a luncheon. He joined the company in 1940, when he was elected president. In 1947 he was elected chairman and granted a leave of absence to become U.S. ambassador to Great Britain. He returned to the company in 1950.

The MIDLAND MUTUAL Life Insurance Company

250 E. Broad Street

Columbus 16, Ohio

MDRT to Have Public Relations Committee; Other Groups Listed

NEW YORK—Public relations work of the Million Dollar Round Table will be handled by a new committee



David Marks Jr.

just appointed by Chairman George B. Byrnes, who is general agent for New England Mutual Life in New York City. Committee chairman is David Marks, Jr., general agent for New England Mutual in New York, other members being Nathan H. Burgheim, Northwestern Mutual, St. Louis, and Robert U. Redpath, Jr., Connecticut Mutual, New York City.

Mr. Byrnes said the new committee will cooperate with National Assn. of Life Underwriters, with which the MDRT is affiliated, and with the Institute of Life Insurance. He said MDRT leaders have become increasingly aware of the influence the MDRT could exert through an organized public relations program.

"The round table has developed to the point where there is of necessity a public relations aspect to a great deal of what it does," Mr. Byrnes com-

mented. "We feel that in some respects the round table may be especially qualified to promote the progress of the business and its service to the public. It will be the responsibility of the public relations committee to study ways in which this can be accomplished."

Other MDRT committees recently named are these:

By-laws—A. J. Ostheimer III, Northwestern Mutual, Philadelphia, chairman (reappointed); William T. Earls, Mutual Benefit Life, Cincinnati; Edward J. Mintz, New York Life, Salinas, Cal.; John O. Todd, Northwestern Mutual, Chicago; and Theodore Widing, Provident Mutual, Philadelphia.

Insignia—Clarence E. Smith, Northwestern Mutual, Chicago, chairman (reappointed); Herbert P. Karlsruher, New York Life, New York City; and Lisle A. Spencer, Equitable Society, Youngstown, O.

Resolutions—Mr. Earls, chairman; Walter N. Hiller, Penn Mutual, Chicago; and Mr. Todd.

Publications—Herman C. Edwards, Equitable Society, Chicago; Kenneth R. Mackenzie, New England Mutual, Boston; and Francis T. Fenn, Jr., National Life of Vermont, Hartford. They will be responsible, respectively, for program notes, proceedings and program publication.

The program and nominating committees, appointed earlier, were listed in THE NATIONAL UNDERWRITER for Nov. 19.

Tennessee Measure Would Bar Insurers of Foreign Governments

Commissioner Northington of Tennessee is sponsoring a measure introduced in the legislature which would prohibit insurers financially owned or controlled by a foreign government from operating in the state. Prompt payment or enforcement of insurance claims is of first importance, he said, and a company owned by a foreign government would be much more difficult to proceed against legally.

Another administration sponsored bill provides that an out of state insurer, to do business in Tennessee, must have been in business in its home state for at least three years. Minimum financial qualifications for doing an insurance business in the state would be increased from \$50,000 to \$200,000 with an additional \$200,000 in capital available for each additional type of insurance the company writes.

Another measure would permit the widow of an insurance agent to draw renewal commissions without qualifying for a license. Also sponsored by the administration is a service-of-process act.

The governor and insurance department is sponsoring a model A&H bill, which would require policies to be printed in not less than 10 point, etc.

The administration is expected to ask a 1% increase in the insurance premium tax, which would produce an estimated \$2 million in increased revenue.

ACTUARIES

CALIFORNIA

COATES, HERFURTH & ENGLAND

Consulting Actuaries

San Francisco Denver Los Angeles

RON STEVER and COMPANY

CONSULTING ACTUARIES
EMPLOYEE BENEFIT PLANS

Los Angeles and San Francisco

GA. VA.-N.Y.

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Telephone FRanklin 2-2633

Harry S. Tressel & Associates

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10 S. LaSalle St., Chicago 3, Illinois
Telephone FRanklin 2-4020
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M. Wolfman, F.S.A. A. Selwood
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135 S. La Salle St. Chicago 3, Ill.

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Indianapolis - Omaha

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Consulting Actuaries
Pension Consultants

ST. LOUIS KANSAS CITY

NEW YORK

Consulting Actuaries
Auditors and Accountants

Wolfe, Coreoran & Linder

116 John Street, New York, N. Y.

OKLAHOMA

W. J. BARR

CONSULTING ACTUARY
HOME STATE LIFE BUILDING
OKLAHOMA CITY, OKLA.

PENNSYLVANIA

FRANK M. SPEAKMAN

CONSULTING ACTUARY
ASSOCIATE
E. P. Higgins
THE BOURSE PHILADELPHIA

National of Vermont Sales Achieve New Peak in 1954

Sales by National Life of Vermont hit a new peak of nearly \$187 million in 1954, exceeding the 1953 total by nearly 17% and marking the third consecutive year that a new sales record has been set.

Annualized premiums in 1954 amounted to \$7,470,118, a gain of nearly 7% over 1953.

The top agency in sales volume for 1954 was Atlanta.

Continental American Gains Set New Standards

Premiums written on new life insurance by Continental American went over the \$1 million mark for the first time in 1954. New life insurance in force, which was 31% more than in 1953, brought the total in-force figure to more than \$326 million. Policies of \$5,000 or more accounted for 94% of all new insurance issued.

The Wilmington agency led in production of new business. Leonard C. Kiesling of Wilmington was volume leader and Clark W. Dill of Wilmington was lives leader.

Coffin to Speak at Chicago

Chicago Life Managers Jan. 18 will hear a talk by Vincent B. Coffin, senior vice-president of Connecticut Mutual, entitled "These Are Exciting Days in Life Insurance."

New Fidelity Union President

James M. Collins has been elected president and Charles S. Sharp executive vice-president of Fidelity Union Life of Dallas. Carr P. Collins, Sr., formerly president, was reelected chairman.

Mr. Collins was named a director in 1941, vice-president in 1943 and executive vice-president in 1952. Mr. Sharp was elected a director and vice-president in 1952.

NOW... "do-it-yourself" GROUP INSURANCE



Sales Robot®

makes it possible
for YOU to:

- **PLAN** your group sales activity
- **SELL** your own prospective clients
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- **BIND** your own cases without delay

Get the facts on this self-service underwriting kit that enables YOU to cash in on big Group premium commissions. SALES-ROBOT simplifies Group selling... gives you the tools you need to "quote on the spot"... places YOU in this lucrative field.

Stop groping...
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Write now to your
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THE
UNITED STATES
LIFE INSURANCE CO.
IN THE CITY OF NEW YORK

The United States Life Insurance Co.
84 William St., N. Y. 38, N. Y.

Dept. NU 1-14

Gentlemen: Please send us complete information on the Sales Robot and Group Selling.

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Guardian Furnishes Details on Its Unique Major Medical Plan

Guardian Life's major medical expense policy, which was described briefly in the Dec. 3 issue, went into effect Jan. 1. More detailed information now has been released by the company, which has been receiving an unusually large number of inquiries. The \$7,500 policy is guaranteed renewable for life and has no coinsurance on covered expenses above a \$250 minimum deductible.

To qualify for benefits of \$7,500 above the deductible for each covered person for each sickness or injury, covered charges at least equal to the applicable deductible must be incurred within 90 consecutive days while the policy is in force, and covered charges in excess of the deductible, up to the \$7,500 limit, must be incurred within two years after the date of the first charge applied against the deductible.

For any given claim the amount of the deductible will be based on the combined income of the named insured and spouse for the tax year immediately preceding the year in which the claim begins. A claim begins on the date on which the first covered charge applied against the deductible is incurred.

Combined incomes and respective deductibles are: Not more than \$10,000, \$250; over \$10,000 but not over \$15,000, \$350; over \$15,000 but not over \$20,000, \$500; over \$20,000 but not over \$25,000, \$750, and over \$25,000, \$1,000. Applications will not be accepted from families whose annual income, earned and unearned combined, exceeds \$25,000. The applications contain a question on this.

There is an aggregate limit of \$7,500 on all benefits which will be paid on behalf of any one individual after his 65th birthday. This applies, regardless of the number of claims involved or the date the claims begin, starting with age 65. If \$7,500 is paid to a covered person over 65, he will cease to be covered. His spouse, if any, will remain covered at a reduced premium. The total benefit limit applies to all covered charges actually incurred after the 65th birthday.

If two or more covered persons are injured in a common accident, or contract the same contagious disease within 10 days of each other, the deductible will be applied only once against the total covered charges incurred.

Variation in the deductible has no effect on the premium.

As income increases, so does the deductible, and when insured retires at a reduced income his deductible comes down to match his income.

If insured dies and leaves a spouse as a covered person, the policy is guaranteed renewable for the lifetime of the surviving spouse. If this spouse remarries, the new partner may be covered if he can qualify.

The highly experimental nature of the policy makes it impossible to guarantee the premium rate. As experience develops the rates may be either increased or decreased. These increases or decreases would not be applied to individual policies, but to all policies in force, uniformly, on the basis of age at issue. Agents are urged to point this out to prospects, since the public generally associates a guaranteed rate with non-cancellable policies.

It is not known what dividends may

be paid under the policy, but it is most unlikely that there will be any for the first few years.

There are three limitations in the covered charges: A maximum of \$1,000 for any one surgical operation, maximum of \$25 per day for hospital room and board, and maximum of 75% of private nursing fees. There are no inside limits on other covered charges, such as physicians' fees (non-surgical) and miscellaneous hospital services.

If insured marries, his wife will be covered automatically from the date of the marriage until the next premium due date. However, before the end of the next grace period the policyholder must notify the company, supply underwriting information about his wife and pay an additional premium. Coverage then may be discontinued on the wife if the company notifies the policyholder within 45 days after receiving the underwriting information.

All children will be covered from birth until the policy anniversaries following their 18th birthdays or prior marriages, subject only to the company's being notified of their births. There is no additional premium for children, regardless of number.

All members of a family must be covered unless excluded for underwriting reasons, except for one adult member, if covered by other major medical insurance elsewhere which he cannot discontinue without loss (such as group insurance).

Exclusions are: pre-existing conditions; charges obviously unreasonable and excessive in the area involved; routine pregnancy, including miscarriages and caesarian births (unusual complications are covered); female diseases within 10 months after date of issue; mental illness, except when the patient is in a regular hospital with facilities for diagnosis, major surgery, etc.; care in government or other free hospitals; treatment not prescribed by a doctor; treatment of those in military service; war injuries; charges covered by workmen's compensation; dentistry, except for treatment of injuries and infections other than tooth decay; cosmetic surgery, except to correct a birth defect in a child born while the policy is in force, or the results of injuries received while it is in force; drugs and medicine bought while the patient is not hospitalized, unless obtainable only with a doctor's prescription; and transportation, except local ambulance service.

\$2.4 Billion Increase In Real Estate Loans

Total life insurance company loans to property owners increased \$2.4 billion in 1954 to a high of \$25,750,000,000, with \$5.1 billion of this being lent in 1954 alone. Institute of Life Insurance, commenting on this, said that the near-record total of new mortgage financing extended by life companies came as a surprise, since most forecasts at the start of the year had indicated a decline in such financing. Instead, the increase in mortgage money parallels the surprising growth of housing starts, when the estimated 1,150,000 starts were the second largest in history.

More Babies Live Longer

The 4,060,000 babies born in the United States during 1954 set a new mark in their ability to survive the hazards of early life, statisticians of Metropolitan Life report.

Infant mortality for the year dropped to an all-time low rate of 26.7 per 1,000 live births. This is a reduction of almost 5% from the previous low

set in 1953, and is 1/5 less than a decade ago.

Number of births at a rate of 25.2 per 1,000 general population was more than 2% above previous high of 1953. The continuing baby boom has added more than 36,750,000 to the nation's population within the past 10 years.

Bobst Agency Promotes 3

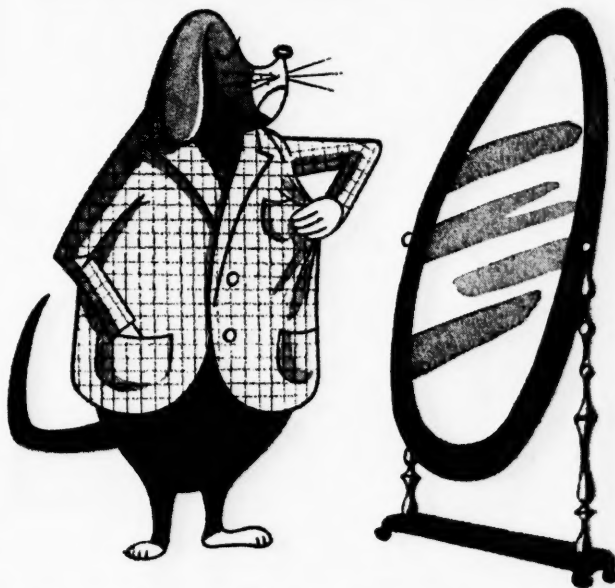
The Bobst agency of John Hancock at Boston has promoted Dana P. Hardy and Daniel C. Ryan to assistant general agents and John M. Parker 2nd to brokerage supervisor, all at Boston. Mr. Hardy started with Hancock in

1940 and became supervisor in 1953. Mr. Ryan joined in 1946 and was named supervisor in 1950. Mr. Parker, formerly broker's assistant, went with the company in 1933.

South Coast's Stock Split 4 to 1

Stockholders of South Coast Life have voted for a stock split of three additional shares for one of record at close of business Dec. 31. The company had \$28 million in force Nov. 30 and gained \$8 million for the first 11 months. The \$406,000 capital and surplus increased to \$1,517,000 in the first 10 months.

SHORTS-MEDIUMS-LONGS



"Terms" to suit every need. This is the quick way of saying that when it comes to term contracts, come to Union Mutual. Here you'll find this thrifty type of protection in a full line of "shorts", "mediums" and "longs", tailored to various age groups, appropriate for every circumstance. Specifically, for the benefit of your clients, there are these six categories of UM term insurance to choose from:

1. 3-year term, then LP @ 85
2. 5-year term, then LP @ 85
3. 5-year renewable term, renewable to age 60
4. 10, 15, 20-year term
5. Life expectancy
6. Mortgage protection

AND You Get These

Famous UM Plus Values

- First-year dividend
- Conversion privilege
- Family income conversion privilege: 10, 15, 20-years or to age 65 on a 1%, 1 1/2% or 2% basis
- Favorable settlement options

Underwritten by

UNION MUTUAL LIFE INSURANCE COMPANY
OF PORTLAND, MAINE
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America's Eighth Oldest Life Insurance Company.
Rolland E. Irish, President • John R. Carnochan, Vice President
in Charge of Agencies.

LIFE UNDERWRITERS SINCE 1848

Selman to Helm of Pan-Am Dynamos

Francis J. Selman of New Orleans, with paid-for production of more than \$900,000 in 1954, has been named president of Pan-American Life's Dynamo Club, the company's top production club, whose membership for the current year totals 136. George Desgain of Norfolk, with paid-for production of \$886,000, is vice-president, and E. D. Ziegler, general agent at Florence, S. C., with paid-for produc-

tion of more than \$831,000, is secretary. Mr. Selman has been a member of the club 18 years and has served previously as president and vice-president. Mr. Ziegler, a member for five years, has been secretary before.

Membership requirements are paid-for production in the senior division of \$250,000 and in the junior division of \$150,000.

• *Beacon Life of Oklahoma*, in operation about 18 months, has increased capital from \$50,000 to \$100,000.

Name Chairmen of Company Committees

Chairmen of joint American Life Convention-Life Insurance Assn. committees, as well as those for the ALC standing committees, have been announced.

Joint committees, and their chairmen, are: Allocation and reporting, M. F. Davis, Metropolitan; blanks, N. M. Hughes, National L. & A.; economic policy, C. M. Shanks, Prudential; federal income taxation of life companies, R. L. Hogg, Equitable Society; government employee group, F. B. Wilde, Connecticut General; group, E. B. Whitaker, Prudential; international labor organization, R. B. Richardson, Western Life of Montana.

Also, legislative, Dwight Brooke, Bankers Life of Iowa; pensions, R. W. Hamilton, Penn Mutual Life; practice of law, John Barker, Jr., New England Mutual; premium taxation, Everett Crilly, Lincoln National; social security, Edmund Fitzgerald, Northwestern Mutual; valuation of assets, S. C. Badger, New England Mutual; withholding and information at source, J. A. Kelly, Columbian National.

The ALC standing committees and their chairmen are: A & H; R. L. Maclellan, Provident L. & A.; actuarial, M. R. Dodson, Ohio National; agents and agencies, H. V. Wade, Standard Life of Indiana; company relations, H. C. E. Johnson, Interstate L. & A.; convention meetings, P. C. Buford, Shenandoah Life; coordination of activities, B. K. Elliott, John Hancock Mutual, departmental supervision, B. M. Anderson, Connecticut General; finance, L. D. Cavanaugh, Federal Life.

Also, home office administration, C. O. Sullivan, Midland Mutual; insurance legislation, Berkeley Cox, Aetna Life; investment problems, F. J. Travers, American United; medical examination, Dr. J. P. Donelan, Guarantee Mutual of Omaha; program, F. W. Hubbell, Equitable Life of Iowa; representation on Health Insurance Council, J. C. Archibald, Bankers Life of Iowa; resolution, S. E. McCreless, American H. & L.; uniform laws, C. L. Peterson, Ohio State Life.

Jeff Standard Registers Sales Peak in 1954

New sales of Jefferson Standard Life totaled a record \$165,985,224 in 1954. Insurance in force rose to an all-time high of \$1,324,440,513, up \$89,200,268 or 7.2%.

Stevenson Heads Guardian Agency at San Antonio

O. J. Stevenson, formerly with American National Life at San Antonio, has been appointed manager of a new Guardian Life agency at 1007 Rittiman road there. He has been in the business since 1947.

Revere Names J. D. Meeks

Jack D. Meeks, associate general agent for Ohio State Life at Cleveland since 1953, has been named general agent there for Paul Revere Life. While with Ohio State he also was an agency assistant and assistant superintendent of agencies.

• *Chicago Life Insurance & Trust Council* at its Jan. 21 meeting will hear Robert F. Spindell, Chicago insurance attorney, discuss the term trust under the revenue act of 1954, and William Dillon of American National Bank & Trust Co. will present new features of the 1954 revenue code.

Seven IBM Computers Ordered by Prudential

Prudential expects to lease seven giant "705" electronic computers from International Business Machines Corp. Delivery of the computers, the latest in a series developed by IBM, is expected by the end of 1956.

Two of the machines are for use in the main home office at Newark and one each is for regional home offices at Chicago, Houston, Jacksonville, Los Angeles and Minneapolis.

Studies are being made looking toward use of the machines for billing policyholders, premium accounting and other operations rather than for complex calculations. New opportunities are anticipated for employees whose jobs may be affected by installation of the machines.

The "702", an earlier version of the "705", has also been ordered by Prudential and delivery is scheduled for September.

Shenandoah Life Names Superintendent of Agencies



C. Thomas Chandler

C. Thomas Chandler has been appointed superintendent of agencies of Shenandoah Life. He was in the business several years at Richmond and Roanoke before joining the company as agency assistant in 1952.

Named Asst. Manager in N. Y.

John A. Silver, an associate manager for Equitable Society in New York City since 1927, has been appointed assistant manager of the Smerling agency of Connecticut General there. He entered the business with Travelers at Winnipeg in 1920 and joined Guardian Life at New York in 1922.

• *Northwestern Mutual Life* has bought a \$1,500,000 bond of the Missouri-Illinois Bi-State Development Agency. The money will be used to pay past and future construction costs of the 600-foot wharf being constructed by the agency on the Chain of Rocks Canal on the Mississippi river adjacent to Granite City, Ill.



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ECONOMIST CONFIDENT:

Sees Prosperity Ahead for Near and Distant Future

NEW YORK—The business outlook in the United States, both long range and short range, is excellent, Marcus Nadler, economist of the Hanover Bank of New York City, told the eastern regional convention of Northwestern Mutual Life here.

Mr. Nadler said the facts point to 1955's being better than 1954 and perhaps even better than the record year of 1953. Factors include inventory liquidation that has been going on, more buying, particularly of homes, the volume of public works, the automobile industry's need for running at full speed in anticipation of labor trouble when contract renegotiation time comes in September; and the generally confident feeling of the public.

The long range picture, said Mr. Nadler, is better than for many years. Expansion should be even greater than right after the Civil War. He gave as reasons the tremendous growth in population; a standard of living that is rising and continuing to rise because the people expect it to; we are becoming a nation of middle-class income people—an important development for life insurance, since the very rich don't need much insurance and the very poor can't afford it; the large scale movement of population, particularly to the west and southwest, which means a huge increase in public works, such as schools and hospitals.

Moreover, said Mr. Nadler, the people have immense confidence that the federal government, no matter what party is in power, will take steps to prevent the occurrence of a major depression or mass unemployment, hence there is a willingness to venture and do things that would not be done otherwise.

Finally, said Mr. Nadler, there is reason to believe we are in for a long period of peace, for the balance of power is shifting to the free nations. It all adds up to a brilliant long range future, he concluded.

Cincinnati Sales Card Set

Cincinnati Assn. of Life Underwriters at its annual sales congress Jan. 21 will hear talks by S. O. Schumacher,

er, general agent Provident Mutual, Akron; W. A. Nixon, Jr. Massachusetts Mutual, Rochester, N. Y.; C. E. Rosch, Northwestern Mutual, Baltimore, and P. W. Bove, New Jersey Bell Telephone Co.

There also will be room hopping sessions moderated by the following Cincinnatians: J. C. Benson, Union Central Life manager; A. R. Groenke, Mutual Benefit Life; W. B. Hardy, New England Mutual; F. C. Hiron, Union Central; G. W. Isgrig, Lincoln National; R. A. Lauer, Northwestern Mutual; M. J. Koch, Northwestern Mutual, and O. E. Wright, Aetna.

Margaret Becker to Join Prudential; Mrs. Crawford Named to Ill. Agents' Post

Margaret H. Becker, executive secretary of Illinois Assn. of Life Underwriters since 1942, has resigned and on Feb. 14 will join the Mid-America home office of Prudential at Chicago as secretary to James E. Rutherford,



Mrs. Lorene Crawford, new executive secretary of Illinois Assn. of Life Underwriters, and her predecessor, Miss Margaret H. Becker, who is joining Prudential at Chicago.

vice-president in charge of that office. Named to succeed her is Mrs. Lorene Crawford, since 1940 secretary to the manager of New York Life's Peoria agency.

In addition to her state association work, Miss Becker also served as secretary of the Peoria association and helped organize and became executive secretary of both Central Illinois CLU chapter and Illinois Round Table. These groups will continue to have their headquarters in the state association office at Peoria.

The association president, W. Robert Moore, Connecticut Mutual general agent at Decatur, commented that the board in accepting Miss Becker's resignation rejoiced with her over "a well-earned promotion, but regretted the loss of her service to the organization."

For many years Mrs. Crawford has taken an active part in life underwriters' affairs and has a wide acquaintance and experience with association work. Mrs. Lorretta Wallace, Miss Becker's sister and assistant secretary since 1951, is assuming additional responsibilities.

National Benefit Merged with American Republic

National Benefit and American Republic, both of Des Moines, have been merged with American Republic, a legal reserve mutual, the continuing company.

At Dec. 31, the two companies had

approximately \$12 million of assets, \$6,500,000 surplus to policyholders and annual premium income of \$13 million. There also was \$17 million of life insurance in force.

The two companies had the same management and occupied the same offices. Officers are Watson Powell, president; Watson Powell, Jr., executive vice-president; W. R. Olson, vice-president, and H. H. Gunn, secretary-treasurer.

American Republic at Dec. 31, 1953, had assets of \$4,049,597 and that year had net premiums of \$5,183,618. The respective figures for National Benefit were \$5,784,008 and \$5,591,377.

National Benefit, founded in 1906 as an assessment A&H company under the name Hawkeye Commercial Men's Assn., converted to a stock company in 1948. At Dec. 31, 1953, it had capital of \$1 million.



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Edmondson Month Winners Announced

Two Manhattan Life personal producers were double awards-winners in November, traditional Edmondson month in honor of Vice-president V. W. Edmondson who has been with the company for more than 25 years. They are: Milton W. Koenig, Robbins agency, New York City, leader in volume and lives, group 3, and Harold A. Meyer, Long agency, Mount Vernon, N. Y., leader in both categories in Group 6. Alfred M. Schlesinger, Grosten agency, Los Angeles, Group 1 leader in volume, also placed first nationally in submitted volume for the month. Nathan S. Posner, Grosten agency, placed second in volume nationally and won the award for number of lives submitted in Group 1. Joseph S. Harmelin, Harmelin agency, Newark, third among the top ten, won the group 2 award for volume, with T. Lucile Salisbury, Demarest agency, New York, taking the award for lives in that group.

Other personal producers winning plaques were: T. Frank Dow, Stuart agency, Binghamton, N. Y., volume in group 4; Jerry Leon, Vorhauer agency, Chicago, lives in group 4; Kenneth E. Tolley, Kellner agency, Denver, first

in volume, group 5; and Ralph E. Lembo, Rogers agency, Passaic, N. J. first in lives in group 5.

Agency awards-winners in paid volume were: Richard M. Grosten, Group 1; Bernard B. Hoffman, Buffalo, Group 2; Clarence Spencer, Trenton, N. J. Group 3; Bernard A. Haas, New York City, Group 4; Bart M. Rogers, Passaic, N. J., Group 5; and Ray E. Warren, Cleveland, Group 6;

The James G. Ranni agency, New York, led the company in submitted volume, winning the group 1 submitted award. The Hoffman agency, Buffalo, led in group 2 submitted; The Ranni agency, Miami, took first in group 3; Bernard A. Haas was first in group 4; Fuerst and Porter, Pittsburgh, led group 5 and Andrew K. Long, Mount Vernon, N. Y. was at the top in Group 6.

Writes \$9 Million on 9 Lives

New York Life, which had issued only one \$1 million life policy on a single application before 1954, issued nine such policies last year. Insured were business men from different sections of the country. Their ages ranged from 30 to 58. They included a newspaper publisher, an executive of a trucking firm, a builder, a tool manufacturer, a banker and an oil operator.

St. Louis, Gilbert Head New General American Agency

Charles E. St. Louis has been appointed general agent and J. Robert Gilbert, Jr., group representative of a new General American Life office at San Francisco.



Charles E. St. Louis

Mutual Life's Tulsa agency. He is a past president of Tulsa Assn. of A. & H. Underwriters.

Mr. Gilbert before joining General American in 1952 was manager for Blue Cross and Blue Shield at Alton, Ill.

Wesley Stegeman, also formerly with Pacific Mutual at Tulsa, has been named district manager in the new agency.

President Pledges Another Try at Health Reinsurance

President Eisenhower indicated in his state of the union message to Congress he will propose a program to improve existing health services in which the government "will neither nominate nor direct, but will serve as a helpful partner." Federal health reinsurance "to encourage the development of better health insurance coverage by private organizations" will be included in his recommendations.

He endorsed the proposals by a committee appointed to study improvements in survivor, disability and retirement benefits for federal personnel, saying full contributory coverage should be provided for these workers just as it is in private industry. He said these benefits should also be extended, in equal amount, to career military personnel.

Modify Rate Increases of Columbus Blue Cross

Increases requested by Central Hospital Service Assn. of Columbus (Blue Cross) were disapproved in part by Superintendent Robinson of Ohio and decreased in other areas. There is no increase at all in the 30 day family and comprehensive contract, and on the 70-day and 120-day contracts, Mr. Robinson reduced the request by 12%. Approval was given to an increase of 70 cents to the 70-day and 120-day contracts, making the new monthly cost for such coverages \$5.30 and \$5.50 respectively.

The Ohio department considered a similar request by the Blue Cross in Akron at a hearing there Jan. 7. The Akron proposed increases would affect those subscribers who receive a flat payment type of coverage.

Slate Three DISC Schools

Three new disability insurance sales course schools have been scheduled. Nebraska Assn. of A&H Underwriters will sponsor a course at the University of Nebraska, Lincoln, Feb. 10-20. Another will open Feb. 10 at the University of California at Los Angeles and will run through April 28. The third will be held at the University of Richmond, Virginia, April 18-20.

Chief Examiner in Mass.

George L. Harvey has been named chief examiner of the Massachusetts insurance department. He has been with the examining staff since 1929, became senior examiner in 1938 and was named principal examiner in

1949. He succeeds Arthur J. Roche who has retired.

Gets Union Central Fla. Post

John G. Cook has been named district manager for Union Central Life in a seven-county central Florida area with headquarters at Orlando.

Miller Succeeds Duckenfield

Metropolitan has appointed Joseph J. Miller purchasing agent for the Pacific coast head office at San Francisco succeeding Horace Duckenfield, retired.



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A 2-year plan—one of the most liberal both to agent and general agent.

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A contract for prospective agents unexcelled by leading companies.

3. TRAINING ALLOWANCE

A substantial amount paid to general agents for recruiting and training.

PLUS THESE OUTSTANDING ADVANTAGES — Success-proven training courses • Programming schools • Business and tax seminars • Aggressive selling materials • Lifetime service fees • Complete line of low-cost policies, including accident and sickness.

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Protects Your Clients against Catastrophic Medical Costs

Now there is an Illinois Mutual plan to fit the specific needs of each of your clients!

In addition to many other sales producing policies available, Illinois Mutual's newest policy covers catastrophic medical costs, providing the extra money where and when your clients need it most. The policy covers ALL medical expenses in full after the first \$500 — \$750 or \$1000 deductible expense up to \$5,000 — \$7,000 or \$10,000 with limitations only on the amount of daily hospital room and ambulance costs and provides for rental rather than purchase of mechanical aids.

Add this policy to your list of plans to make your portfolio a kit full of...
Territories open in Illinois, Indiana, Ohio, Michigan, Minnesota, Missouri and Wisconsin

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Wisconsin Policies

Wisconsin revised several monthly. Basically involves several instead of A&H pre to the h A&H p allowed such per Follow

Special \$10,000; ages 0-9 and 85; 19 and ment; 20 term to age 60; \$10 family juvenile 65 - \$1.00 annual premium, \$1 ability, m term sup for 10, 15

In other savings will be using factor. A miums w policy. M \$10. Ret attached premium more, e jumping plans. Premi any juve policies fit at age

Nation Hospital

Nation a family ment with tion with ty policy

Hospit are pay of any coinsura allowanc services ers 50% eous ho and 100% a maxim benefit dent or

The p ule, pay for child for out- juries. I tion with disability household 16 to 64 age 19.

Home



F. E. Smith

Win L. Occid office e coveted service Chest fo quarter

Wisconsin Nat'l Issues New Policies, Has Other Changes

Wisconsin National Life has brought out several new policies and also has revised collection procedures on life monthly premium and A&H policies. Basically the new life policy plan involves sending notices once each year instead of monthly, and henceforth A&H premiums will be paid directly to the home office by policyholders. A&H policyholders now will be allowed a 31-day grace period. No such period previously was allowed.

Following are the new plans added: Special whole life policy, minimum \$10,000; 20-payment life, extended to ages 0-9; endowments at ages 55, 60 and 85; juvenile endowments at ages 19 and 20; juvenile 30-year endowment; 20-pay endowment at age 85; term to age 85, convertible prior to age 60; \$20 family income for 20 years; \$10 family income to age 65; jumping juvenile (\$5,000 endowment at age 65 - \$1,000 to age 21 - plus return of annual premiums paid); deferred annuity, \$100 annual units; income disability, monthly income \$10 per \$1,000; term supplement riders may be issued for 10, 15 or 20 years.

In other changes, under the salary savings policy, the monthly premium will be 1/12 of the annual instead of using the regular monthly premium factor. Accidental death rider premiums will be paid up with the basic policy. Minimum monthly premium is \$10. Return premium rider may be attached to any policy which has premiums payable for 20 years or more, except special whole life, jumping juvenile and home security plans.

Premium payor may be added to any juvenile policy. All new juvenile policies will provide full death benefit at age 0.

National Fidelity Issues Hospital Cover for Families

National Fidelity Life has introduced a family group hospitalization supplement which may be sold in conjunction with its income protector disability policy.

Hospital benefits up to \$15 per day are payable for one year on account of any one injury or one sickness. A coinsurance feature applies only to the allowance for miscellaneous hospital services and supplies. The plan covers 50% of the first \$100 of miscellaneous hospital services and supplies, and 100% of all above that amount to a maximum of 100 times the daily benefit with respect to any one accident or sickness.

The plan has a \$200 surgical schedule, pays 10 times the daily benefit for childbirth, with a \$100 allowance for out-patient care required for injuries. It may be sold only in conjunction with not less than \$100 income disability on the breadwinner of the household. Age limit for parents are 16 to 64 and for children 14 days to age 19.

Home Office General Agent



F. E. Simmons Jr.

Pan-American Life has appointed Fisher E. Simmons Jr., assistant supervisor for Louisiana since 1949, home office general agent at New Orleans.

Win L. A. Community Chest Plaque

Occidental Life of California's home office employees have been awarded the coveted Bronze Plaque for community service by the Los Angeles Community Chest for contributing more than one-quarter of 1% of their total annual

payroll to the 1954 drive. More than 99% of the employees contributed.

National, Vt., Sets Up Unit to Finance Mobile Homes

National Life of Vermont is buying mobile homes installment contracts direct from manufacturers and dealers and will finance these homes. This is a new field of investment for life insurers, the company says, adding that its purchases to date total more than \$1 million and will represent "a very substantial sum" during 1955.

National's decision followed a year of experimental operations in the field. A new division of installment financing in its investment department, the result of the operations, is headed by Donald H. Tetzlaff, supervisor of installment financing.

The company's action was "strongly commended" by the favorable experience of other financial institutions in this type of business. The large number of mobile homes now in use as residences makes them an important factor in American housing, the company says.

Audubon of Baton Rouge Launches Audubon Life

Audubon Life Ins. Co. has been organized at Baton Rouge and will commence business immediately. The company is an affiliate of Audubon Ins. Co. It starts business with a paid in capital and surplus of \$125,000.

T. J. Singletary, president of Audubon, is president also of Audubon Life, and T. P. Singletary is vice-president, and M. S. Dougherty, Jr. is secretary-treasurer. Mr. Dougherty is vice-president of Audubon.

Audubon Life is chartered to write all forms of life insurance, but will confine its initial operations to Credit Life. The parent Audubon Ins. Co. is 10 years old.

Tax Change Effects on Law Forum Program

Effects of new tax law rules on life insurance, endowments, annuities and benefit payments will be the subject of the Practising Law Institute's Saturday afternoon forum session in New York City Jan. 15. An estate planning clinic is scheduled for Feb. 11-12.

Named Patriot Life V-P

Sterling Harrison has been named a vice-president of Patriot Life, a subsidiary of C. I. T. Financial Corp., to be in charge of investments. He has been with C. I. T. 10 years. He has also been named vice-president of Service Fire and Service Casualty.

51-Year Veteran Honored

At Manhattan Life's Christmas party, Frank McKendrie, real estate inspector for the investment department, received an inscribed gold watch in tribute to his 51 years of service. J. P. Fordyce, chairman of the board, received a 20-year award.

Expect Tenn. Tax Increase Bill

A bill is expected to be introduced in the Tennessee legislature calling for an increase in the state insurance premium tax from 2% to 3%, estimated to amount to \$2 million additional annually. The state needs at least \$25 million additional revenue and there is some pressure behind the premium tax increase idea.

Edgar D. Tripple, manager life and A&H department of Rockwood Co. agency, Chicago, has been made a stockholder and member of the firm effective Jan. 1. He began in insurance with Travelers in the group sales department and after naval service in World War II went with Rockwood in 1948.

Phoenix Mutual Has New Term Plan, Liberalizations

Phoenix Mutual Life has developed a new term policy to age 65 as a base for mortgage protection riders, has instituted guaranteed underwriting of disability waivers, along with reduced rates and increased coverage, and has reduced the cost on 10 and 20 year term contracts.

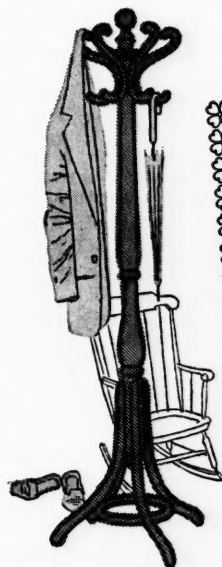
The new policy is designed to fit in with social security programming. It includes conversion privileges for both original and present date changes up to age 60.

The average cost of disability waiver provisions has been reduced more than 40%, with proportionate reductions and coverage on new contracts after marriage for females. The applicant

eligible for ordinary at standard rates is now automatically acceptable for this provision with most contracts. A removal of the aviation restriction applies to disability provisions in all existing policies as well as those issued after Jan. 1.

Renewal and conversion privileges are guaranteed in the 10 and 20 year term policies. Term contracts on substandard risks will continue to be issued. Premiums have been reduced on family income and other reducing term riders, and a transfer privilege is included to cover cases where the original basic contract is converted to a new policy.

Chicago life cashiers Jan. 19 will hear a talk by G. L. Bechtold, assistant secretary and comptroller of All American Casualty.



"too old" to buy insurance?

..... not if he has a real need for business or tax purposes.

You'll find that Manufacturers Life can give you the key to more sales in the rapidly growing senior citizens market. Here are two low cost contracts that will please your prospects in the age 66-80 bracket.

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EDITORIAL COMMENT

The Wonderful Statute of New York State

*Great is the statute of New York state:
It specifies just how to operate,
And should an insurer get too independent,
Down comes the thumb of the superintendent.
If his judgment is wrong the courts can't review it
Unless it says right in the law they can do it.
He's presumed to know more than the board of directors,
Officials, consultants, and building inspectors.
But how could a state lure a man so omniscient,
So versatile, wise and in all things proficient?
What state could expect its allure to be heeded?
For running the universe he would be needed.*

Well, sir, the more you think about it, the crazier it seems. We refer, of course, to the non-reviewability of the New York insurance superintendent's actions under a large part of the insurance code. This non-reviewability was upheld, as we reported at length last week, by New York's highest court, which said Superintendent Bohlinger's decision that Guardian Life didn't need and therefore mustn't use a certain tract of land for home office purposes couldn't be challenged in court on its merits.

The court of appeals said, in effect, that in the light of the code's language and the discussion that led up to its enactment, it was clearly the legislature's intent that only those classes of determinations specified in the law as being reviewable should be subject to judicial review. Otherwise, the courts would only interest themselves to the extent of making sure the superintendent was not refusing a review on something that actually was reviewable and was adhering to the standards set forth in the statute.

The court said that for those who didn't like the non-reviewability feature of the law, the legislature was he place to seek relief, not the courts. Such relief, we believe, should be sought and we hope it will be obtained, for the court's decision enlarges and strengthens the already great power of the department to inject itself into management functions. The law has been bad enough on that score without reading into it any additional strangleholds, which is what the court of appeals has done.

If the life companies subject to the New York law are to grow and increase their service to the public as they rightly should, they need to be made increasingly free from the outmoded shackles of New York's punitive Armstrong laws. Dynamic management should be encouraged. It should not be circumscribed by decisions of an insurance superintendent

who cannot possibly be all the different kinds of an expert that the law requires him to be.

Granting that the court of appeals made a valid (though hardly novel) suggestion on how to get relief, it seems to have reached a curious conclusion in another part of its opinion. Though saying it would not review the Guardian case on its merits, the court actually did so. It did this by saying that the superintendent did make his determination with the legislative standard ("requisite for its convenient accommodation in the transaction of its business") in mind and that "he made findings necessarily leading to the conclusion that the purchase was not required for the convenient accommodation of the company's business."

Unfortunately, the court based its opinion of these findings in part at least on information that was factually wrong on the key point of whether Guardian knew what it was about or whether as the court said in its opinion, "Guardian's plans were most uncertain and indefinite . . . and its home office building and adjoining properties—in which the possibilities for expansion had not even been explored—provided adequate space and facilities."

However, some of the "facts" most vital to the court's contention that Guardian's attitude was marked by "indecision and uncertainty" and that its plans were "most uncertain and indefinite" were just plain wrong. These erroneous "facts" were advanced by the assistant attorney-general who represented the superintendent. The court evidently relied on them, despite unimpeachable evidence that they were incorrect. For the sake of its own high reputation, it would seem that the court would want to rectify a decision based on facts which were not facts at all.

Entirely aside from the question of Guardian's sureness of purpose, the court seems to have overlooked the

background of the provision of the statute that requires the superintendent's approval for the purchase of property for home office use or "as shall be requisite for its convenient accommodation in the transaction of its business." In the pre-Armstrong days, purchase of land, ostensibly for home office use or some other company function, was sometimes marked by lack of wisdom in the purchase or in the use or disposition made of the property.

The purpose of the approval requirement was to make sure that land bought for the purpose stated was actually going to be used for that purpose. Moreover, it would be a strained use of the word "requisite" to consider it synonymous with "absolutely vital to" and therefore to say that if a company could conceivably get along without a property that it considered "requisite" to the convenient accommodation in the transaction of its business the superintendent had a right to disapprove it.

What's the answer to the fettering of the vital and dynamic business of life insurance by a law that injects

the insurance superintendent increasingly into the role of management? There's no easy one, that's sure. No superintendent wants to be in the political hot-spot of loosening the control reins, no matter how many more widows and orphans could be provided for by a life insurance industry as untrammelled in its selling as say, the automobile business.

We've said it before and we'll say it again: We believe the legislators of New York state could be given a new concept of what the life insurance business could do for the public if they could bring themselves to be a little less suspicious of what it might do to the public. The too-frequent attitude is that life company executives are would-be plunderers, ready to outdo the wildest pre-Armstrong excesses if given the slightest opportunity. If New York legislators could be given an understanding of the job that the life insurance business could do if the needless and foolish provisions of the New York law were corrected, we believe they would at least make a start in reversing the trend of ever-tighter control over the life insurance business.

PERSONAL SIDE OF THE BUSINESS

Allen V. Dowling and **George A. Vogler**, whose promotions to vice-presidents of Franklin Life were reported in last week's late news bulletins, both have been with the company at the head office.

Mr. Dowling started with Franklin in 1953 as head of the midwest divi-

He went to Des Moines in 1938 as general agent and in 1952 joined Franklin as director of sales for the southwest division. Last June he was transferred to the head office as director of sales and he also will continue in that capacity.

Robert H. Carter, senior partner in the Carter-Massad agency of Connecticut Mutual at Oklahoma City, has marked his 30th anniversary as general agent for the company there. He organized and was first president of General Agents & Managers Club of Oklahoma City. Michael P. Massad joined him last May as assistant general agent.

Francis H. Low, assistant to the president of Home Life, was honored at a ceremony at which he was presented a service pin, on the completion of 20 years with the company. He joined the company in 1935 at the home office in the agency department, and after field work returned to the home office in 1938 as agency field assistant and in 1940 became assistant superintendent of agencies. He was named manager of agencies in 1946, assistant vice-president in 1949, and assistant to the president in 1954.

Donald F. Barnes, director of the promotion and advertising division of Institute of Life Insurance, was the subject of a feature in the Dec. 11 issue of *Editor & Publisher*. It tells how Mr. Barnes brought his newspaper experience to life insurance in 1936 when he became editor of *Life Asso-*



George A. Vogler



Allen V. Dowling

sion, facilitating agency organization in several north central and rocky mountain states. He went to the head office early last year as director of agency development and will continue to serve in this capacity. For three years before joining Franklin he was with Ohio National Life as home office representative supervising 11 western states and earlier for several years was a pension specialist for American Life of Texas.

Starting in life insurance in 1945 with Massachusetts Mutual at Oklahoma City, Mr. Vogler was made supervisor a year later and in 1947 advanced to the home office agency staff.

THE NATIONAL UNDERWRITER

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PITTSBURGH 25, PA.—503 Columbia Bldg., Tel. Court 1-2494. Bernard J. Gold, Resident Manager.

SAN FRANCISCO 4, CAL.—Flatiron Bldg., 544 Market St., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.

ciation News and later director of research of National Assn. of Life Underwriters. After army service he was named to the executive staff of the institute.

Frazar B. Wilde, president of Connecticut General Life, and **Morgan B. Brainard Jr.**, vice-president of Aetna Life, have been named by Gov. Ribicoff of Connecticut to a five-man committee of financial experts to assist him in reappraising the financing plan for the \$400 million cross-state expressway.

Lloyd T. Binford, local agent at Memphis, has been reappointed a member and chairman of Memphis board of censors. He has held the post 25 years and has become nationally known for the movies he has banned in the city.

H. Everett Woodruff, vice-president in charge of the investment department of New York Life, has been elected a director of Gibbs & Hill, New York engineers and constructors.

Frederick E. Jones, president of Ohio State Life, has been elected president of Columbus Baseball Club, a group he was instrumental in forming after the city lost its entry in the American Assn. The new team will play in the International League.

DEATHS

IVAN FUQUA, 53, local agent at Washington, D. C., died after a long illness. He founded Washington Assn. of A&H Insurance Agents, was once administrator of the welfare fund of local 26, International Brotherhood of Electrical Workers, developed voluntary group plans for several large organizations and was formerly connected with Electrical Workers Benefit Assn.

NEWELL A. ANDERSON, 75, who retired in 1947 as division manager for Life of Georgia in the coastal area of South Carolina, died at Charleston. He joined the company in 1900 at Augusta, Ga. and was manager for 27 years at Savannah.

ALBERT T. BROPHY, 75, formerly chairman of the executive committee of Manhattan Life, died at Brooklyn after a long illness. He also was managing attorney of Brooklyn-Manhattan Transit system until it was taken over by New York City in 1940. He retired in 1949.

DR. CHARLES F. NICHOLS, 67, who retired in 1953 as assistant medical director of Penn Mutual, died at Cynwyd, a Philadelphia suburb.

JACOB H. MOSCOW, 75, who retired in 1947 as manager at Brooklyn for Prudential, died there. He had been in the business for 44 years.

ALBERT H. THOMPSON, manager for Metropolitan at New Haven for 35 years, died there.

Wrong Source Quoted in Tax Story

In reporting testimony of Carol M. Shanks, president of Prudential, before the House subcommittee on life company taxation at Washington, THE NATIONAL UNDERWRITER incorrectly attributed a statement to Trust Co. of Georgia.

Discussing ways in which corporate trust companies exploit the tax disad-

Additional 1955 Dividend Action Announced by Companies

Name of Company	Current Policies	Old Policies	Funds Left with Company		
			Non-withdrawable	Withdrawable	Accum. Div'ds.
American Mutual, Ia.	Same as '54	Same as '54	3	3	3.25
Bankers Life, Ia.	"	"	3.1	3.1	3.25
Bankers National	"	"	3	2.5	3
Boston Mutual	" (k)	" (k)	2.5	2	2
Christian Mutual	"	"	3.5	3	3.5
Connecticut General	"	"	3	3	3
Equitable, N. Y.	Increased	Increased	3	2.25	3
Equitable, Canada	Same as '54	Same as '54	3.75	3.75	4
Expressman's Mutual	"	"	2.75	2.75	2.5
Farm Bureau, Mo.	"	"	2.5	2	2.5
Federal Life, Ill.	Approx. 50% Incr.	Approx. 100% Incr.	3	2.5	3
Fidelity Life, Ill.	Same as '54	Same as '54	2	2	3
Great Northwest	"	"	2.5 & 3	2.5 & 3	2.5 & 3
Home Friendly	"	"	3.1	3.1	3.1
Imperial Life, Can.	"	"	3	3	3.25
Loyal Protective	"	"	3	3	3
Monarch Life, Can.	"	"	3	3	3
Mutual Life, Can.	7% Incr.	7% Incr.	3.5	3.5	3.5
National Reserve	Same as '54	Same as '54	2.5	2.5	2.5
Northern Life, Wash.	"	"	2.5	1.5	3
Occidental, Cal.	"	"	Guaranteed Rate	2.5	3
Ohio National Life	Increased	Increased	3	3	3
Pacific Mutual	Approx. 12% Incr.	Approx. 12% Incr.	3	3	3
Penn Mutual	Increased	Increased	3	3	3
Philadelphia Life	Same as '54	Same as '54	2.5	2.5	2.5
Prudential	"	Incr. (m)	3	3	2.75
Security Benefit	"	Same as '54	2.5	2	3
State Farm, Ill.	Approx. 17% Incr.	Approx. 17% Incr.	3	3	3
West Coast Life	Same as '54	Same as '54	2.5	2	2.75
World Ins. Co.	"	"	2	2	2

(j) Except that surrender dividends introduced. (k) Except 2nd year dividend eliminated and a settlement dividend added. (m) For dividend paying policies issued before 1942. Dividends effective Jan. 1, except for Federal Life, National Reserve, and Northern Life of Washington for which effective date is Feb. 1.

vantage of life companies to obtain pension business. Mr. Shanks cited excerpts from statements made by pension plan consultants, banks which act as trustees for uninsured pension plans and publications. The one attributed to Trust Co. of Georgia actually was an excerpt from a report to that organization by J. A. Hamilton and W. W. Fellers of Wyatt Co., Washington, D. C.

Propose Doubling Tax on Domestic N. C. Insurers

An increase of \$1 million a year in the tax on gross premiums of North Carolina insurers and a doubling of the license fees of insurance agents are among new proposals laid before the North Carolina assembly by Gov. Hodges and the advisory budget commission.

Domestic companies have paid a 1% gross premiums tax since 1947, when the assembly passed a law reducing the tax for them from the 2% rate which had prevailed, and at the same time increased the rate on out-of-state companies from 2% to 2.5%. The new proposal would increase the domestic rate to 2.5%, thus putting the domestic companies on par with the out of state companies. Gov. Hodges estimated this would bring in \$1,170,000 annually in new revenues.

The license fee for agents would be doubled to \$5 and would result in an estimated increase of \$172,195 in annual revenues.

Berkshire Names P. T. Carr General Agent at Louisville



Paul T. Carr

Paul T. Carr, supervisor for Northwestern Mutual at Louisville since 1953, has been appointed general agent for Berkshire Life there. He started in the business in 1948 with Home Life at Louisville.

1954 Production Sets Conn. Mutual Records

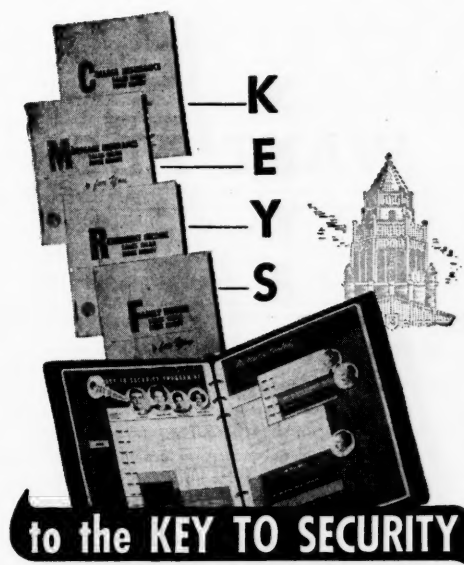
The \$337,639,565 of new business placed by Connecticut Mutual in 1954 exceeded the 1953 record by nearly \$10 million and brought insurance in force up by more than \$210 million to a new peak of \$2,865,000,000. Assets increased \$89 million to more than \$1.1 billion.

A total dividend of \$19,350,000, highest in the company's history, will be paid this year as a result of continuing favorable mortality and investment experience. Interest on funds left under income settlements was increased to 3.3% and interest on dividend accumulations was increased to 3.2%.

Indianapolis CLU Forum Set

Indianapolis CLU chapter will hold its annual economic forum Jan. 17. James M. Givens, vice-president of Indiana National Bank, will open the forum and serve as moderator. Speakers include Dr. John K. Langum, pres-

ident of Business Economics, Chicago; H. C. Grabner, dean-elect of the American College and presently dean of the college of business administration at Butler University, and George W. Mitchell, vice-president in charge of research of Federal Reserve Bank, Chicago.



might well be the subtitle of the Company's visual Sales Kits on Retirement, Mortgage, Family and College Insurance. Use of these Kits helps the new associate get into early and profitable production. They also assist him in becoming adept in the use of the Key to Security, the Company's illustrated and integrated programming service which has been so notably effective since its introduction.



EQUITABLE LIFE
INSURANCE COMPANY OF IOWA
FOUNDED IN 1867 IN DES MOINES

Mattress Firm Offering Free Insurance as Prize

Serta Associates of Chicago is offering insurance protection to retail salesmen and their families as part of a manufacturer's incentive program in what is said to be the first time in the history of the furniture business. The company is offering \$10 million worth of insurance protection to salesmen as part of its campaign to introduce its new 1955 "Perfect Sleeper" mattress and box springs.

Serta's "prize policy," being arranged through United Benefit Life, provides medical expense and treatment up to \$5,000 per person for polio, up to \$1,000 for cancer, plus protection against eight dread diseases and accidental death and specific loss benefits.

Walter R. Wellmann, vice-president of United Benefit Life and Mutual Benefit H. & A. praised Serta for "instituting a humanitarian program that helps to meet a vital need, especially since ordinary hospital and health insurance policies cannot begin to meet the demanding cost of polio, cancer, and the other diseases covered by the policy." Serta indicates that present plans call for annual sponsorship of the insurance incentive program.

U. S. Population Soars

The 1954 increase in U. S. population set a new record, statisticians of Metropolitan Life report. Including members of the armed forces overseas, population rose to 163,930,000, a gain of 2,830,000 or 1.8%. The previous mark was set in 1951. This was the eighth consecutive year that the increase has been more than 2½ million. Contributing to the gain were a new high number of births, an all-time low

death rate and a moderate addition through immigration.

Every state except West Virginia shared in the increase. Along the Pacific Coast the rate was 3.7% or about double the national gain.

Pru Beginning Move to Minneapolis Head Office

Some time this month Prudential will move the first group of employees into its new regional home office at Minneapolis. Approximately 1,100 employees will make up this first group, with the full-scale opening of the new building slated for this spring. The company has been occupying temporary quarters in downtown Minneapolis.

Appointment of Local LUTC Chairmen Asked

Local presidents of National Assn. of Life Underwriters have been asked to appoint local chairmen to help in setting up machinery for 1955-56 Life Underwriters Training Council classes. LUTC headquarters reports that large national enrollments and consequent heavy administrative work have made local action imperative.

Huber Agency Production

Paid-for production by the Solomon Huber agency of Mutual Benefit Life in 1954 totaled \$10,122,437, with an average premium of \$45 per \$1,000. This excludes credits for term riders, group and annuities.

A new script for the agency's film, "Planning Your Estate," has been completed and copy has been prepared for a new version of the pre-approach booklet, "How to Get the Most Out of Your Assets."

Fifth of Welfare Funds Abused, Bohlinger Says

(CONTINUED FROM PAGE 3)
ments, which exceeded the limitations imposed by custom and prudence, excessive restrictions on eligibility of members to participate in welfare and benefit funds, and excessive charges to members for expenses of handling vacation funds contributed by employers and credited to a member's account.

Discrimination was shown in the extension of larger benefits to union and welfare fund officials than those granted to general membership.

Kickbacks to union and fund officials were evident in the periodic checks found payable to "cash" amounting to an exact percentage of premiums paid by the funds involved, salary payments to fund and union officials and their relatives and gifts to fund officials.

It was found that, on the whole, operating expenses of union welfare funds were less than 10% of contributions received. About 75%, accounting for more than 90% of contributions, had operating expenses that fell below 10%. At the other extreme were the plans with expense rates exceeding 10%, accounting for 25% of all plans and 10% of contributions. Excessive operating costs were the exception. High expenses were incurred with such frequency as to warrant concern that monies intended for the benefit of working men and women were being dissipated. This conclusion paralleled that developed by the field investigations of individual welfare plans.

Equitable's Major Medical Payments Top \$1 Million

Equitable Society has paid more than \$1 million in major medical claims on individual policies. The total exceeded the million mark when a \$934.61 claim was paid to William J. Ramsey of McMinnville, Ore., for medical expenses of an infant son. Mr. Ramsey had paid an initial annual premium of \$58.22 on a policy sold to him by Harold P. Drake of Portland.

Named to Chicago Post

Irwin A. Frank, formerly assistant manager of Home Life's New York (Oshin) agency, has been promoted to associate manager of Klein agency at Chicago. He joined the company in 1949 and was appointed assistant manager in 1952.

G. C. White to Wilmington

Continental American Life has appointed George C. White associate manager of its Wilmington agency, where he will concentrate on recruiting and training a new unit. He has been in the business since 1950 with New England Mutual, first as an agent at Wilmington and since 1952 as a supervisor at New York.

On Colonial Life Board

Hubert F. O'Brien, president of A. P. Smith Manufacturing Co. of East Orange, N. J., has been elected a director of Colonial Life. The Smith company is a well-known manufacturer of water works valves and equipment. Mr. O'Brien has been president since 1941 and is a member of the company's board.

New American Income Chairman

Frank E. McKinney, Indianapolis banker, sportsman and politician, has been elected chairman of American Income Life of that city. Mr. McKin-

ney is a former owner of the Pittsburgh Pirates in the major leagues and the Indianapolis Indians in the AAA league, as well as being former Democratic national chairman.

American Income Life, incorporated as a stock company three years ago and to date operating only in Indiana, is now writing A&H at the rate of \$2,-520,000 a year and has \$9,500,000 of life insurance in force.

Pru Cuts Aviation Extras

Improved mortality on civilian aviation has led Prudential to apply further reductions ranging from 50 cents to several dollars per \$1,000 both to civilian pilots and crew members. Rules dealing with underwriting ex-pilots and ex-crewmen have been relaxed and underwriting practices for commercial aircraft passengers have been liberalized. In-force policies with a higher rating may be submitted for change consideration.

Paulsen Now General Agent

Harold L. Paulsen has been named a general agent for Western Life of Montana and will operate the home office agency at Helena in partnership with A. T. Schultz, a general agent since 1936.

Mr. Paulsen, who has been with the company 20 years, is vice-president of Helena Assn. of Life Underwriters and secretary of the Montana association.

• Estate Planning Council of Chattanooga heard a talk on the effect of the 1954 internal revenue code changes on reporting estate and trust provisions by Ethleen Lassiter, trust officer of First National Bank of Atlanta.

• Guaranty National Life of Houston has moved into a new \$150,000 home office building at 2635 South Main street.

WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

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Solid and growing 50 year old mid-western company wants a capable, aggressive man, to assume top Agency Management responsibility in its home office. Our present A & H Income is substantial. Life in Force is modest enough to present a challenging opportunity, but large enough to provide a substantial future for a capable man, expanding existing A & H organization and building additional Ordinary Life Agencies. Write fully and in complete confidence, about your qualifications.

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Excellent opportunity for advancement. Attractive salary. Liberal employee benefits and retirement plan. Reply to Box C-63, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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As an executive officer in a large and well established Pension and Consulting Firm. Prefer an actuary who is experienced with either a Pension Firm or a Legal Reserve Life Insurance Company. All replies will be treated in confidence. Write immediately to C-65, c/o National Underwriter Company, 175 W. Jackson Boulevard, Chicago 4, Illinois.

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for Actuary or Associate Actuary planning to complete studies, who has a desire to grow with one of the oldest Group writing companies in the business. Located in the heart of California. Salary open. Please address Box C-46, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Insurers Band to Fight NALU Anti-Tontine Bill

(CONTINUED FROM PAGE 1)
and means of improving the relationship between the public and the life companies, investigate matters of common interest, distribute information, and provide a forum for study of common problems.

Officers named to the newly formed institute, subject to approval of members at the Feb. 10 meeting, are Claude H. Poindexter, president of Coastal States Life, president; Ellis G. Arnall, president of Dixie Life of Newnan, Ga., and former governor of Georgia, chairman; J. Herbert Graves, vice-president of National Old Line of Little Rock, secretary; and B. L. Carter, president of Pioneer Life & Casualty of Gadsden, Ala., treasurer. Directors are W. E. Darby, president of National Old Line; Waldo Cheek, president of Independence Life of Raleigh, N. C., and former North Carolina insurance commissioner; Lee Roy Ussery, president of Guaranty Savings Life of Montgomery, Ala.; and Dr. Pierce P. Brooks, president of National Bankers Life of Dallas.

Eight regional vice-presidents were elected to represent their respective states. They are Alabama, Spencer Longshore, president of Preferred Life of Montgomery, Ala.; Arkansas, W. N. Stannus, vice-president of First Pyramid Life of Little Rock; Florida, C. J. McCann Jr., actuary and assistant to the president of National Union Life of Miami; Georgia, D. D. (Pat) Murphy,

vice-president of Columbus National Life; Kentucky, Robert B. Hensley, director and general counsel of Louisville; Louisiana, Forrest G. Ray, vice-president and actuary of Guaranty Income Life of Baton Rouge; South Carolina, J. R. Hoile, president of Life Ins. Co. of South Carolina; and Texas L. E. Cowling Sr., president of Southern States Life of Houston.

Atlantic Life Honors Leaders at Havana Rally

More than 200 agents, home office officials and guests attended a four-day convention for leading producers of Atlantic Life at Havana. About 80 agents received special awards for sales records.

A new \$10,000 minimum life contract and additional A&H plans were described. Business sessions included a message by President Robert V. Hatcher, a symposium on "Organizing for Sales in 1955" which was conducted by Assistant Vice-president Warren M. Pace, and a panel discussion on "On the A&S Side," moderated by H. Stanley Marmaduke, manager of the A&S department.

Those attending the convention left from Miami on an overnight cruise to Havana.

Fidelity Mutual 1954 Business at New High

Fidelity Mutual's new paid business achieved a record \$91,592,000 in 1954, bringing insurance in force to \$859,829,725. The amount of the average policy rose to \$7,500. Mortality showed improvement over the preceding year.

Life and A&H Legislation Already Heavy in Congress

WASHINGTON—Legislation affecting life and A&H insurance is already becoming heavy in the new Congress. Some of the bills were reintroduced after failing last year. Proposals and their sponsors include measures:

To allow as deduction from gross income tax amounts paid as life insurance premiums and to provide for more liberal income tax treatment for amounts paid for hospitalization and under voluntary medical care plans—McDonough, California.

To provide paid up insurance for certain aged veterans—Gregory, Kentucky.

To grant National Service life insurance to blind veterans—King, Pennsylvania.

To amend servicemen's indemnity so that in absence of a beneficiary being designated thereunder by a person having NSLI or U. S. Government life, the beneficiary of the latter policies shall also be the designated beneficiary of the indemnity—Curtis, Missouri.

To permit deduction of certain payments for health insurance without regard to the 3% limitation relating to

medical expenses deductible under the income tax—Wolverton, New Jersey.

To exclude life insurance payments from any source in annual income computation for death pension purposes—Rogers, Massachusetts.

To relieve persons in military service from refunding to the government the amount of life insurance premiums, and the interest thereon, guaranteed under the soldiers and sailors civil relief act—Cunningham, Iowa.

To provide for crediting subscription charges or insurance premiums with respect to health or medical service plans or programs, or health or medical insurance, for federal income tax purposes—Keating, New York.

To extend the time within which certain insane veterans may apply for NSLI—Kelly, New York.

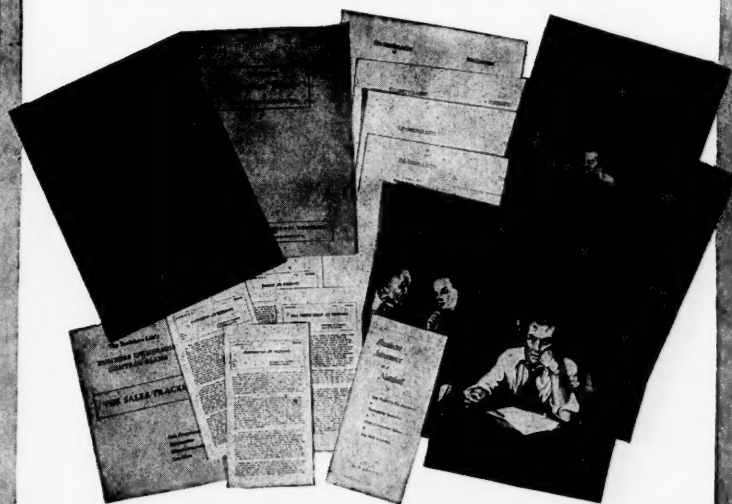
To protect and conserve labor union health and welfare funds—Hoffman, Michigan.

• The Earl C. Jordan Massachusetts Mutual Life agency at Chicago turned in a record \$6,104,432 or 250% of its quota in the company's latest "quota buster" contest. This was accomplished with only 23 actual working days in the contest month of November.



Bankers National Life held cornerstone laying ceremonies for the new home office building at Montclair, N. J. Here Ralph R. Lounsbury, president, is shown applying the first trowel of mortar for the cornerstone. Speakers at the ceremony were Howard T. Cohn, president of the home office employee association, John D. Brundage, assistant to the president and chairman of the junior management council, and Mr. Lounsbury.

Everyone is excited about Berkshire Life's BUSINESS INSURANCE KIT



... especially the Berkshire Life agents who now approach the sale of highly profitable business insurance with the same confidence as more familiar life coverages. This compact, uncomplicated kit is organized to sell the 4 major types of business insurance: Key Man, Sole Proprietor, Partnership and Close Corporation.

This is another of the fine "sales tools" Berkshire Life provides its field force as part of its complete sales promotion program.

KEEP YOUR EYE ON
BERKSHIRE
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Life, Annuities, Accident & Health and Hospitalization
PITTSFIELD, MASS. • A MUTUAL COMPANY • CHARTERED 1851

W. RANKIN FUREY, President • HIRAM S. HART, Agency Vice-President



Council of Educators to Guide CLU, CPCU Studies Is Organized

An advisory group of nine university business teachers has been formed to assist in planning CLU and CPCU educational programs. Organization of the group, Council of Educational Advisers, was announced by Dr. Davis W. Gregg, president of American College of Life Underwriters, and Dr. Harry J. Loman, dean of American Institute for Property & Liability Underwriters. It has received high praise from Dr. S. S. Huebner, president emeritus of American College and chairman of American Institute.

Chairman of the council is Dr. Leslie J. Buchan, professor of accounting of Washington University. He is former vice-chancellor and dean of the school of business of the university.

Council members are Laurence J. Ackerman, dean of the school of business administration of University of Connecticut; Leonard H. Axe, dean of the school of business of University of Kansas; Edison L. Bowers, chairman of the department of economics in the college of commerce and administration of Ohio State University; Horace B. Brown Jr., dean of the college of B.A. of University of Oklahoma; Cecil Puckett, dean of the college of B.A. of University of Denver; Gordon Siefkin, dean of the school of B.A. of Emory University; Stanley F. Teele, associate dean of the graduate school of B.A. of Harvard University, and Stephen W. Vasquez, dean of the school of commerce and finance of St. Louis University.

Union Central Racks Up Largest Sales Total in '54

Union Central Life's 1954 sales were the largest in its history, setting a new record for the second straight year.

Sales of \$204,999,967 compared with the previous year's total of \$199,556,341. The 1954 figure does not include \$69 million placed with the company under the federal employees' group life program, nor revivals and additions. Including these figures, insurance put in force last year exceeded \$275 million.

More than 19 agencies paid for in excess of \$2 million, the leaders being the Knight agency at New York City and the Cincinnati agency, with sales of \$22,760,231 and \$10,317,267, respectively. More than 75 agents had sales in excess of \$500,000.

Zimmerman Reports More Special Policies in Offing

(CONTINUED FROM PAGE 1)

depends on good management—past, present and future. If management has been good in the past, the chances are it will be good in the future. In any event, it still takes an aggressive, hard-

hitting, intelligent agent to make the sale.

Henry Smith, New York insurance department attorney, spoke on the need for constant vigilance to maintain the agency system against attacks on it.

General Agents Bernard Bergen and Bernard Eiber acted as joint toastmasters. Mr. Zimmerman presented to them the president's cup, pinch-hitting for President Raymond Olson, who could not be present on account of the death of his brother Gerald.

The luncheon marked the beginning of the agency's 10th anniversary year. Howard Katzen, on behalf of the other agents, presented the general agents \$1,036,260 in applications written in January and expressed the hope that the agency would pay for \$10 million in its 10th anniversary year.

Insurer-Administered Tests for 90-day Licenses in Washington Modified

Life and A&H companies that draw up their own examinations for applicants for licenses as temporary agents or brokers in the state of Washington are required, under a regulation by Commissioner Sullivan, to modify the form of their examinations. The regulation seeks "a proper similarity" between the examinations filed by insurers and those given by the department itself, as well as prevention of "possible discrimination" against companies whose agents take the latter.

The regulation, effective March 1, pertains to those licenses which remain in effect for 90 days, within which period certifications of agents must be submitted by the examining company to the department. In the event this is not done, applicants will be required to take and pass the examination given by the department prior to receiving regular licenses.

Each company must file a typical copy of its final examination covering the course of instruction which has been approved by the department. The examination must be written and supervised. Those sent to applicants' homes for completion are ruled out, as are questionnaires or quizzes given at various intervals throughout the course.

The examinations must contain at least 75 questions. Those designed to test sales techniques are not accepted. A passing grade of 70, which is the passing grade for department examinations, is necessary for licensing. Results must be available for inspection by the department.

Form Open-End Fund

(CONTINUED FROM PAGE 1)

pose of controlling or managing other companies.

The fund will distribute net investment income quarterly and net capital gains annually. The management company will receive a monthly fee of 1/24th of 1% of the average of the fund's total net assets.

Pilot Life's promotion of Eugene Jennings to general agent at San Antonio and appointment of Harold F. Dill and Clarence W. Crawford to general agent at Roanoke and Memphis, respectively, were reported in late news bulletins last week. Mr. Jennings formerly was supervisor at San Antonio, Mr. Dill was with Atlantic Life at Roanoke

GAMC Probes Interest in Course for Assistant Managers, Supervisors

NEW YORK—General Agents & Managers Conference has sent a questionnaire to presidents of its local associations to learn the extent of interest in running local courses for supervisors and assistant managers. The special committee headed by Paul R. Green, Aetna Life, Seattle, expects soon to be in a position to offer a well-organized course for group study, prepared by LIAMA. The committee has found that such a course is much needed.

The questionnaire asks whether the association would be interested in developing a training program locally, about how many would be eligible, whether supervisors and assistant managers are eligible for membership in the local managers association, and if so how many are members, also whether supervisors and assistant managers have their own local organization.

Insurer Holds States Are Parties to FTC Complaints

(CONTINUED FROM PAGE 1)

states "it is not subject to the jurisdiction of any state other than those states in which it is licensed because (it) is not conducting an insurance business in any state other than such states in which it holds a license." Therefore, its business is regulated by state law and the FTC act is not applicable to its business.

Life of America makes a similar point. It says that although it has issued in Delaware policies to persons located in that state as well as other states, it is not subject to the jurisdiction of any state other than the state of Delaware because it is not conducting an insurance business in any state other than Delaware.

United, Guarantee Trust and LaSalle Casualty all maintain in substance that they are regulated by the laws of the state in which they are domiciled and the states where they are licensed and that the FTC action should be dismissed.

All five companies deny their advertising is false and misleading. LaSalle Casualty contends the statements attributed to it in the complaint do not "have any significance, value, importance or meaning, having obviously been taken out of context and are not subject to interpretation or understanding while in such form and unrelated to the complete text."

Guarantee Trust and Life of America note they are signatories to FTC trade practice conference rules of 1950 relating to the advertising and sales promotion of mail order insurance. They contend that in accordance with the rules they have submitted their advertising to members of the staff of the commission and have promptly effected any changes suggested. They also assert that prior to the commission's resolution in December, 1953, calling for the industry-wide investigation, they had submitted their advertising, portions of which are quoted in the complaints, to FTC and were informed that such materials were not objectionable and not subject to criticism.

Illinois Commercial Men's Association of Chicago also has filed an answer denying FTC charges. It does not require total disability "as a condition

precedent to the payment of claims for partial disability," it contends.

Meanwhile, another investigation into A&H companies has been proposed. This one was called for by Rep. Muller of New York, who would create a special committee to study the operations of A&H and hospitalization companies, associations, societies and funds.

Army Limits GI Business in Europe to Favored

Insurers, Congressmen Say

WASHINGTON—A House armed services subcommittee has declared that companies that are not members of European Assn. of Life Underwriters are prevented by the army from selling insurance to GI's on duty overseas. It accuses the army of playing "footsie" with the association, which requires a \$100 membership fee of its 14 companies, most of which are licensed in Texas.

In an interim report following an on-the-spot investigation in Germany, the subcommittee declared that the army officer in charge of the insurance program and his superior had no background whatsoever in insurance and "that he (the officer in charge) abdicated his responsibility to European Assn. of Life Underwriters and its executive secretary. The army, having undertaken to play 'footsie' with the association, has to bear the full brunt of the conduct of the association."

A company is not licensed by the army to sell insurance to GI's, the report said, unless it or one of its agents paid the \$100 to the association. It declared, "There is no business in the United States which enjoys the favored position of these insurance companies. The entire cost of collecting, accounting for and remitting insurance premiums is borne by the U.S. army under the allotment system. We doubt very much that the taxpayers of the United States intended that this burden should be imposed upon them for the benefit of a favored, few insurance companies."

Life Insurance Competition Subject of Barron's Article

The life insurance business has some weighty decisions to make, Barron's national business and financial weekly says in a Jan. 10 article on "Premium on Competition. The Life Insurance Companies Scramble for New Business."

The major part of the article, written by John C. Perham, former Hartford correspondent of THE NATIONAL UNDERWRITER, is devoted to the pros and cons of "special" policies. Also covered are the investment "package" of mutual funds and life insurance and the variable annuity concept.

Mutual of N. Y. Sales Increase 23% in 1954

Total new life sales of Mutual Life of New York aggregated \$439,900,000 during 1954, the greatest yearly volume since 1930 and a gain of nearly 23% over 1953. The total includes \$409,500,000 ordinary, \$14,600,000 of insurance issued to employee groups under the module employee benefit plan, and \$15,800,000 life on government employees.

New annual premium income from A&S business amounted to almost \$1,200,000, more than double the 1953 volume.

Ullrich Joins Paul Cook Agency

William J. Ullrich has been appointed agency assistant of the Paul W. Cook general agency of Mutual Benefit Life at Chicago. Mr. Ullrich had teaching experience before entering insurance about four years ago.



C. W. Crawford



E. Jennings



Harold F. Dill

and Mr. Crawford was with Aetna Life.

NEWS NOTE

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New Pension Trust Policy Offers Unusual Flexibility

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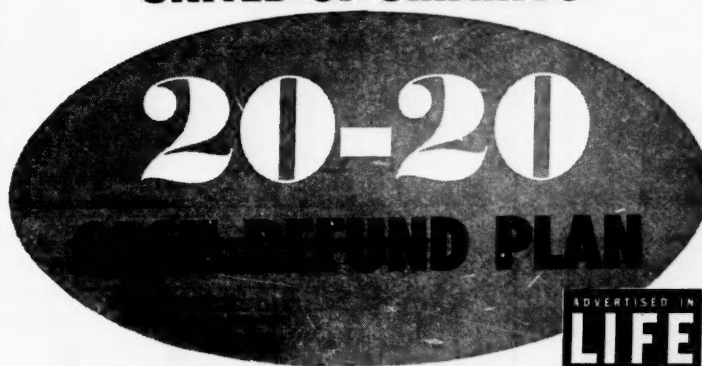
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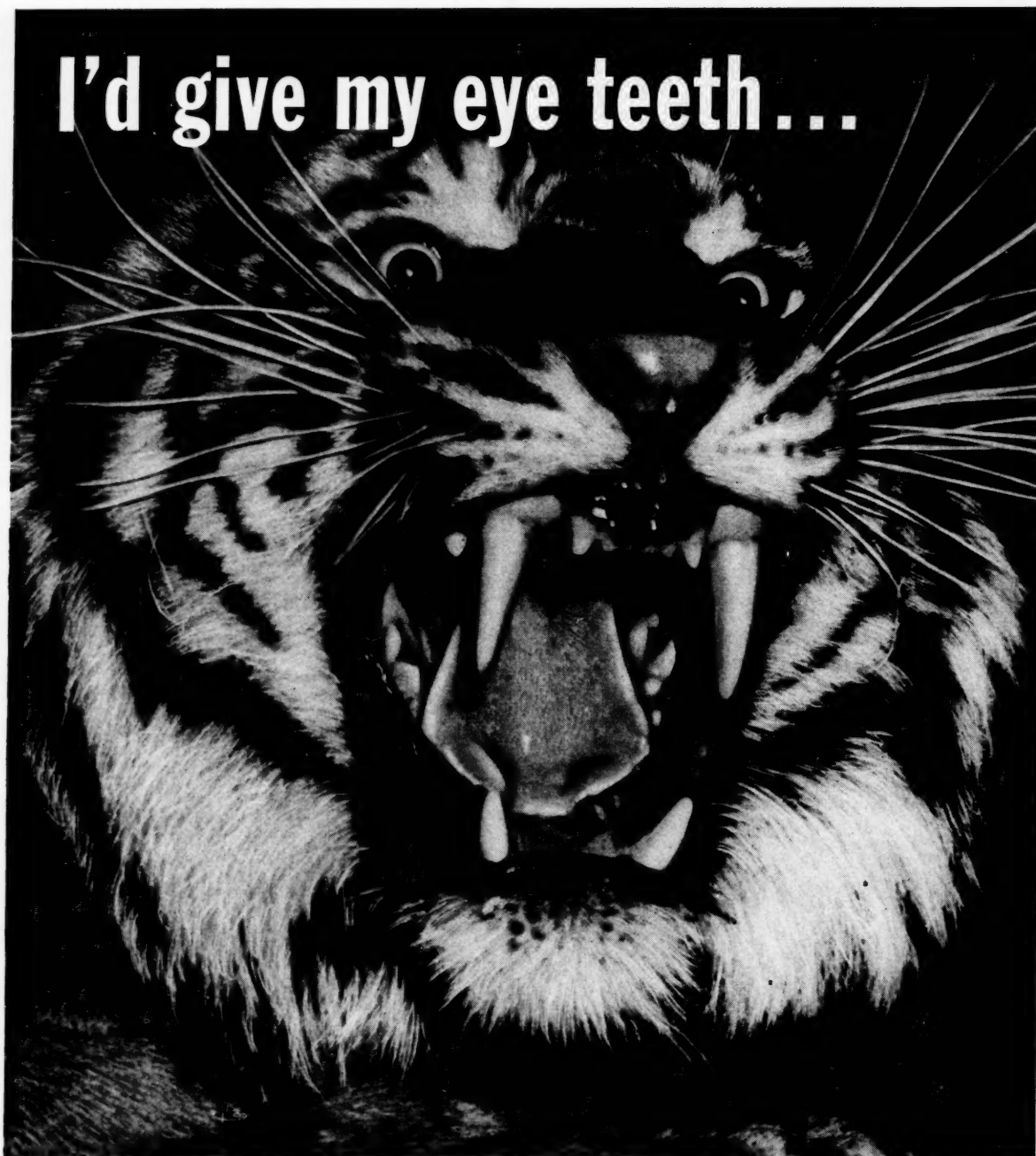
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Roy A. Foan, Vice President and Director of Agencies

A network of General Agencies throughout Union's 16 states is presently in formation. A few choice territories are still available.



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